

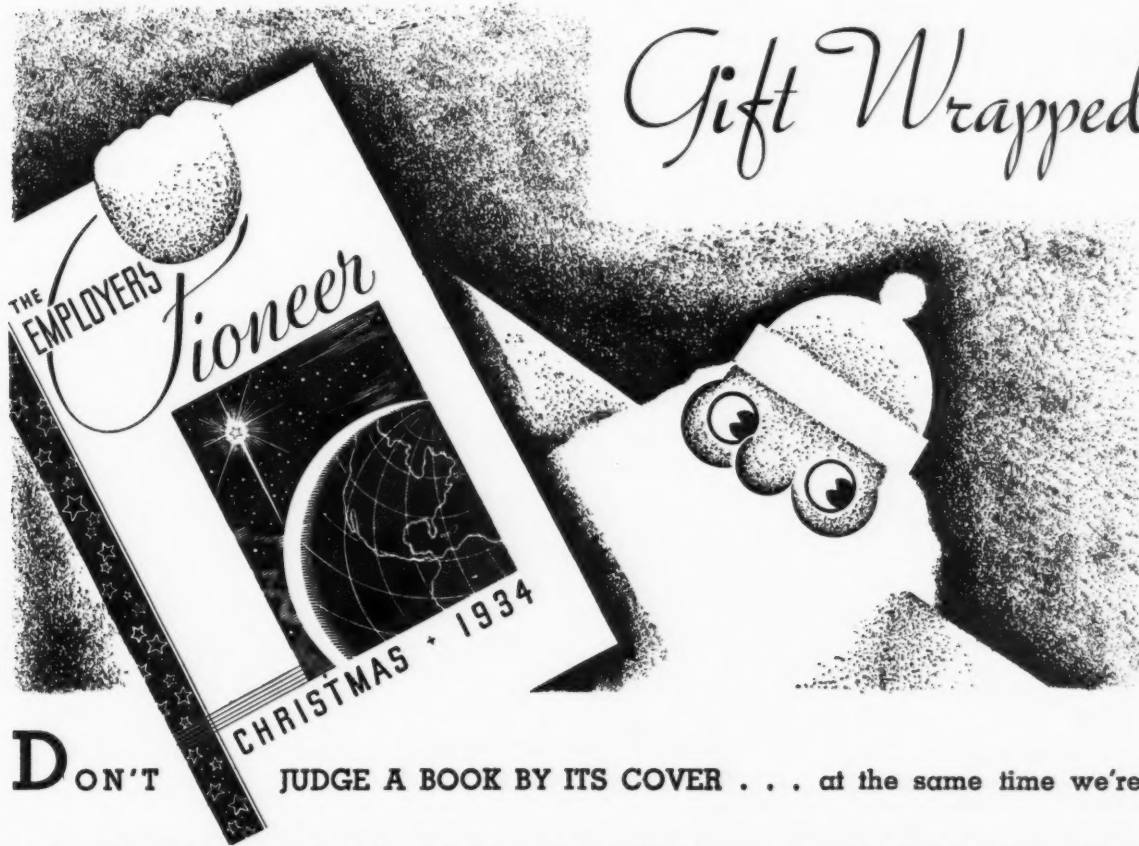
The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, DECEMBER 20, 1934

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Gift Wrapped



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JUDGE A BOOK BY ITS COVER . . . at the same time we're

just sentimental enough to be thinking about Christmas, even if this is being written before Thanksgiving. This month we offer you The Employers' Pioneer Plus. The Employers' Pioneer means some helpful articles on a variety of insurance subjects. The Plus consists of a little Christmas spirit, gift wrapped. Whether or not you send for your copy, may we use this space to extend to you the Season's Greetings. May 1935 be better than you hoped 1934 would be. And if you wish a copy of the December Pioneer (Gift Wrapped) address The Publicity Department, 110 Milk Street, Boston. The Employers' Group includes The Employers' Liability Assurance Corporation, Ltd., The Employers' Fire Insurance Co., and the American Employers' Insurance Co.



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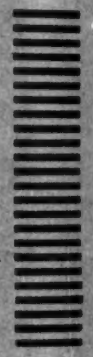
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THE HOME

INSURANCE COMPANY

NEW YORK

162ND

SEMI-ANNUAL STATEMENT

June 30, 1934



ORGANIZED 1853

ASSETS

Cash in Banks and Trust Companies .	\$ 7,550,815.75
United States Government, State, County and Municipal Bonds . . .	17,097,889.20*
Other Bonds and Stocks	57,756,744.20*
Premiums in course of Collection . .	10,139,795.73
Accrued Interest	478,624.00
Other Admitted Assets	1,047,348.00
	<u>\$94,071,216.88</u>

LIABILITIES

Capital	\$12,000,000.00†
Reserve for Unearned Premiums . . .	34,081,828.00
Reserve for Losses	4,809,513.00
Reserve for Unpaid Reinsurance . . .	909,873.94
Reserve for Taxes and Accounts . .	650,000.00
Contingency Reserve	4,215,762.00*

NET SURPLUS 37,404,239.94†
\$94,071,216.88

* Reflecting Actual Market Quotations as of June 30, 1934.

**SURPLUS AS REGARDS POLICY-HOLDERS,
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New York, N.Y.

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ATLANTA

DALLAS

MONTREAL

The National Underwriter

Thirty-Eighth Year—No. 51

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 20, 1934

\$4.00 Per Year, 20 Cents a Copy

Forbush Retiring, Waller Advances

Changes in Lineup of Royal Exchange, Car & General and Affiliates

PROMOTION FOR ELWELL

Russell E. Stevens Becomes Assistant U. S. Manager of Car & General—Effective Jan. 1

NEW YORK, Dec. 19.—Gayle T. Forbush is retiring at the close of the year as United States manager of the Royal Exchange Assurance, the State and the Car & General, and likewise as president and a director of the Provident Fire of Concord, an American subsidiary.

In all positions he will be succeeded by Arthur Waller, the present assistant United States manager. Edward W. Elwell will become assistant United States manager of the Royal Exchange and of the State, and vice-president and director of the Provident Fire. Russell E. Stevens will advance to assistant United States manager of the Car & General. John Koenig will continue as branch secretary of the Royal Exchange and of the State, and as secretary-treasurer of the Provident. The changes were arranged during the recent visit to this city of General Manager McDonald from the head office in London.

Followed His Father's Work

That Mr. Forbush should have elected to follow fire insurance as a life work was wholly natural, his father, the late J. M. Forbush, having been an official of the German-American (now the Great American) for a number of years. In his studies at the Massachusetts Institute of Technology, from which he was graduated Gayle T. Forbush specialized in chemistry, thus equipping himself for the inspection of special fire risks. His first business connection was as special agent for the German American in the middle department. He appointed agents, inspected risks, adjusted losses, determined lines and rates, and performed generally the multitude of duties devolving upon a field man in the days prior to the creation of special bureaus for handling many divisions of the business. Within 12 months he was appointed New England general agent for the company, so continuing until 1905, when he resigned to represent the Royal Exchange in the same capacity and territory. Called to the general office of the company here in 1918, he was appointed assistant United States manager 12 months later and advanced to manager in 1924.

At various times Mr. Forbush served as president of the New England Insurance Exchange and of the Insurance Library Association of Boston. He was also an executive committeeman of the National Board and chairman of its

Outstanding Liability of Detroit National Reinsured

AMERICAN MAKES THE DEAL

New Jersey Group to Assume 100 Percent All Future Writings of the Michigan Company

NEW YORK, Dec. 19.—Effective Dec. 15, the entire outstanding liability of the Detroit National of Michigan was reinsured in the American of Newark, and an agreement effected whereby all future writing of the Detroit company will be automatically reinsured 100 percent in the American. Robe Bird, western manager of the American group is in Detroit, concluding details of the deal, which is regarded as a most satisfactory one to the concerned interests.

membership committee. He served upon the governing committee of the Eastern Underwriters Inspection Bureau. While known as a clever golfer, his particular recreational hobby is the collection of old prints of fires of which he has a notable collection. The Currier & Ives series, "Life of a Fireman" hanging upon the walls in the National Board rooms was presented by Mr. Forbush. While he has made no definite plans after laying down the managerial reins, he hopes to spend more or less time in and about this city as well as at his Boston home. He will follow with sustained interest developments in a business with which he had been so long identified.

Waller Started in 1897

Like his present chief, Mr. Waller has spent his entire business career in fire insurance, having entered the ranks as a youngster in 1897 as clerk with the Lancashire of England. When that company was bought by the Royal and its business reinsured with the Hartford Fire, Mr. Waller went with the Royal Exchange as reinsurance clerk. Later he was promoted to examiner in the western division, subsequently advanced in turn to be superintendent of agencies and in 1919 to assistant United States manager. He assumed a like post for the State five years later, becoming at the same time vice-president of the then newly organized Provident Fire. Mr. Waller is recognized by agents and company men as a man of reserve strength, who in the course of the years has made a thorough study of the insurance business in all of its ramifications, thus equipping himself for the managerial rank he will shortly assume.

Mr. Elwell, the new assistant manager, has been in this country two years, having previously been assistant secretary at the home office of the State of Liverpool. He has traveled in the states rather extensively, studying at close range underwriting and general business conditions and methods here and has an accurate basic knowledge. Those who met Mr. Elwell at the semi-annual meeting of the Western Underwriters Association last September were pleased with his personality.

Mr. Stevens is both a fire and a casualty underwriter, having spent several years with the American of Newark and

W. I. B., Nonaffiliated Men Hold Conference in N. Y.

PRELIMINARY CONVERSATIONS

H. A. Clark Presides at Luncheon Session Which May Lead to Expansion of Bureau

NEW YORK, Dec. 19.—Several executives of Western Insurance Bureau companies and representatives of a number of non-affiliated companies gathered here for an informal luncheon session last week. The conversations were of a preliminary nature, prompted by the movement to expand the Western Insurance Bureau and possibly to create a nation-wide organization of non-affiliated companies. Some of the non-affiliated companies have rather close association with Western Insurance Bureau companies through membership in the Western Sprinkled Risk Association, which is a bureau organization.

At last week's gathering nothing was decided upon and the way was not paved for a decision. It was merely an informal get-together that may lead to further conferences and the shaping up of a program.

H. A. Clark, vice-president and western manager of the Firemen's, acted as chairman. Other bureau company representatives were Ralph Rawlings, head of the Monarch Fire and president of the bureau, and Ralph Danforth, assistant secretary of the Millers National.

Among the non-affiliated companies represented were the Northern of New York, Corroon & Reynolds group, Meserole group, Federal of Jersey City and the Pearl.

the Great American, before joining the staff of the Royal Exchange in 1918. During the past nine years his energies have been devoted principally to advancing the interests of the Car & General, the casualty writing affiliate of the Royal Exchange.

Two Ways to Use Card Enclosed in This Issue

Mr. Subscriber: If there is someone in your office who is forever borrowing your copy of The National Underwriter or asking you questions he can find answered in the N. U., hand him one of the enclosed cards. It speaks for itself . . . it's for new subscriptions only, not for renewals.

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Draft of Illinois Code Published

Affects Practically Everyone Connected with Insurance in Some Way

INCLUDES RATE CONTROL

Hearings to Be Started Shortly—Insurance Troops Will Converge on Springfield for the Sessions

Illinois insurance men over the week end were thumbing eagerly the preliminary draft of the proposed new Illinois insurance code, which has just been published. It consists of 248 pages and contains many new features, some of them of a radical nature. There is scarcely any one connected with the insurance business in any capacity who would not be affected in some way if the code were passed.

The proposed code was prepared under the direction of the so-called insurance code commission, consisting of three members of the lower house of the Illinois legislature and two members of the senate. Most of the actual work was done by three professors from the University of Illinois.

Public Hearings to Be Held

Public hearings will be started shortly and the idea is to present the code in its final form to the forthcoming session of the legislature. It seems doubtful whether any hearings will be held before the first of the year, although it was the intention of the insurance department to get the hearings started in December. From all indications the railroads will be running insurance specials to Springfield when the hearings start.

Insurance Director Palmer of Illinois, in a recent address, outlined a number of the features of the new code.

All existing laws pertaining to insurance in Illinois would be repealed and the new code therefore would represent an entirely new set of laws. Many of the features of the existing laws would be perpetuated. Some laws of other states, which were considered desirable, have been inserted in whole cloth in the new proposed code. A number of practices that have been followed either as a matter of course, under court construction, or pursuant to opinions of the attorney general would be given legislative sanction if the code is adopted.

Rating Organizations

Fire and casualty people were very much interested in the article on rating organizations. The code goes a long way toward making Illinois a rate controlled state and it is understood the administration plans eventually to sponsor additional rate laws.

Rating boards and bureaus must be licensed and must maintain a rating

(CONTINUED ON PAGE 12)

C. W. Moose Named Director of Insurance in Nebraska

WITH HOME LIFE IN OMAHA

Has Been General Agent There for 15 Years—Factional Fight Causes Selection of New Man

LINCOLN, NEB., Dec. 19.—Governor-elect Cochran has announced the appointment as state director of insurance of Conn W. Moose, for the last 15 years general agent at Omaha for the Home Life of New York. He succeeds Lee Herdman, four years state director, and will take office Jan. 4. Mr. Herdman was strongly backed for reappointment by the life and fire insurance interests of the state, but they despaired of success when, a few days ago, Arthur F. Mullen, state Democratic leader, announced that he would oppose Mr. Herdman's reappointment, and threatened that if Herdman were named he would demand a legislative investigation. Mr. Herdman said he would welcome such an inquiry.

George S. Mullen of Omaha, an uncle of Arthur Mullen, was a candidate for the position. Mr. Herdman was an appointee of Governor Bryan, with whom Mullen has had a bitter feud for several years and whom he defeated for the Democratic nomination for senator. The new governor was not anxious to get into a position of deciding between the two factions, and so chose a third man.

Mr. Moose is 46 years old, and has been a resident of Omaha for 20 years. His life insurance experience covers 25 years. For three years he was traveling agency instructor in the United States and Canada for the Prudential. For the last year he has been an instructor in life insurance methods in Omaha University, being recommended for that position by the insurance men of Omaha. It is intimated in political circles that an almost complete change in personnel will be made in the insurance department.

MICHIGAN ASPIRANTS LISTED

LANSING, MICH., Dec. 19.—While there has been much sentiment among insurance men for retention of C. E. Gauss, Democratic commissioner, under the ensuing Republican regime of Governor-elect Fitzgerald, political pressure is expected to prove strong enough to bring about his replacement.

One of the leading possibilities in event of a change is J. T. Armstrong, Detroit local agent and former member of the legislature. He headed the Fitzgerald-for-governor committee in Wayne county (Detroit) and is almost certain to land some state office if he wants it. He has had much experience on the house insurance committee, heading it in 1929.

Others mentioned include Col. John Emery, Grand Rapids, local agent and former national commander of the American Legion; L. J. Treanor, vice-president Michigan Life, Detroit, and former department chief examiner, and C. D. R. Mulder, Muskegon local agent.

Judge Conn Not an Aspirant

Judge Harry L. Conn of the law firm of Conn & Stroup of Van Wert, O., former Ohio superintendent of insurance, was spoken of as a possible candidate for the position in Ohio under Governor-elect Davey. Judge Conn says that he was not a candidate in any sense of the word and could not accept the post. He wrote Governor-elect Davey to that effect when he saw his name mentioned. Judge Conn further says:

"I recall with pleasure the many friendships made while superintendent and as president of the National Convention. Occasionally I run across some of the fellows, and, from time to time, hear from others. It would indeed be a delightful association again, but my engagements and personal interests pre-

Honored Head



C. WESTON BAILEY

C. W. Bailey last Saturday completed 58 years of service with the American of Newark, having entered the employ of the company as an office boy Dec. 15, 1876. He rose through the ranks, filling many positions until he became assistant to P. L. Hoadley, then superintendent of agencies. He was a daily report examiner for a number of years. His first real official position was in 1906 when he was made assistant secretary. He was elected president in 1918. He is a former president of the National Board and is a director of the Mutual Benefit Life. Mr. Bailey is one of the best loved men in the business.

clude any political affiliation. In fact, had such been my desire, I could now be in Washington."

Kenneth J. Hoag, Columbus, O., special agent Fireman's Fund, was slightly injured in an automobile accident Saturday.

THE WEEK IN INSURANCE

Great interest is taken in preliminary draft of proposed Illinois insurance code, which has just been published. **Page 3**

Representatives of the Western Insurance Bureau and of several non-affiliated companies held a conference in New York to discuss the possibilities of expanding the bureau. **Page 3**

Gayle T. Forbush is retiring as United States manager of the Royal Exchange group, being succeeded by Arthur Waller. **Page 3**

Superintendent Van Schalek of New York will remain in office until after the legislature adjourns. **Page 5**

American of Newark is reinsuring the entire outstanding liability of the Detroit National. **Page 3**

Conn W. Moose, Omaha general agent Home Life of New York, is appointed insurance director of Nebraska. **Page 4**

Unusual loss in Chicago following rupture of flywheel and subsequent ammonia gas explosion is settled by fire companies for \$44,000. **Page 4**

W. H. Bennett, in talk at Jersey City, expresses satisfaction that the commissioners' convention has joined in the fight against unauthorized insurance. **Page 5**

Dana Pierce, president Underwriters Laboratories, died this week at Atlantic City, where he had gone to recuperate. **Page 4**

New Michigan Insurance Hand-Book is issued by The National Underwriter. **Page 6**

Loss in Chicago Involving Two Explosions Is Settled

COLD STORAGE CLAIM PAID

Fire Companies Pay \$44,000 for Damage Done by Ammonia Explosion Following Rupture of Flywheel

The loss to the Central Cold Storage Company plant in Chicago, caused by an explosion of ammonia gas following the rupture of a flywheel was settled last week for \$44,000 under the explosion clause of the fire policies. Of this amount \$19,000 was paid by the factory mutual companies and the remainder by the stock companies.

This loss presented a most unusual situation. The Central Cold Storage Company did not have insurance against flywheel explosion and the explosion clause of the fire policies specifically deny liability on account of fly wheel explosion. However, there was an interval of a minute and a half between the explosion of the fly wheel and the explosion of the mixture of ammonia vapor and air.

Vote to Pay Loss

By a vote of 10 to 1, the interested companies decided to pay the loss, because of the interval between the two explosions. They took as a basis of the settlement damage to the building which was done by the second explosion. That is the damage done by the fly wheel explosion was ruled out. The assured thus stood an additional loss on his own account of about \$50,000.

Chicago Committee to Meet

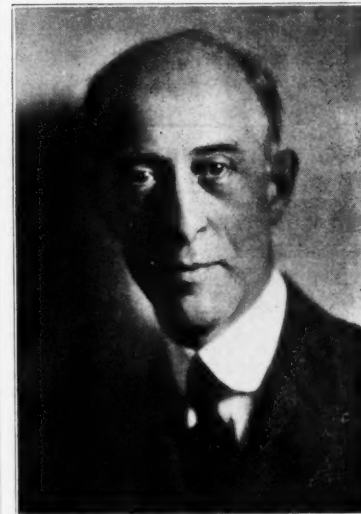
A meeting of the company and Chicago agency committees to discuss some plan to which both interests might subscribe as an alternative to separation in that city will probably be held Friday. Arrangements for such a meeting were held up until Wednesday when L. E. Yager returned from a trip to New York with Manager J. S. Glidden of the Chicago Board. The committee members are confident that a solution will be reached.

Underwriters Laboratories President Dies Suddenly

DANA PIERCE WIDELY KNOWN

Underwent Operation in Chicago and Seemed to Be Recuperating in Good Shape

ATLANTIC CITY, N. J., Dec. 19.—Dana Pierce, Chicago, president Underwriters Laboratories, died at Atlantic City early yesterday morning. He had come here with his wife to recuperate after a serious operation last October. He appeared to be recovering and only Monday spoke cheerfully of his expect-



DANA PIERCE

tation to return to work shortly. Mr. Pierce was operated on at Presbyterian Hospital in Chicago for bladder disorder. He recovered sufficiently to visit Atlantic City to recuperate. He is survived by Mrs. Pierce. His death came suddenly.

DANA PIERCE'S CAREER

Dana Pierce was born in 1871 at Clearmont, N. H., and graduated from Amherst. He took special courses at Harvard and Cornell and spent a year in post graduate work at Johns Hopkins. In 1906 he was placed at the head of the electrical department of the Underwriters Laboratories. For six years he was stationed in Chicago in charge of electrical and signalling work. In 1912 he established a testing station at New York while still directing electrical work at Chicago. In 1916 he was elected vice-president and in November, 1923, president, succeeding the founder and president, W. H. Merrill, deceased. He was prominent in the National Fire Protection Association and 1926-8 was president of that organization. He served for six years as chairman of its electrical committee, having charge of the national electrical code. The funeral will be held Friday afternoon at 2 o'clock from the late residence 1250 Wade avenue, Highland Park, Ill. Vice-President A. R. Small of the Underwriters Laboratories, stationed in New York, and Mrs. Small are accompanying Mrs. Pierce home. Rev. Christopher Keller of Trinity Episcopal Church, Highland Park, will be in charge of the funeral.

President Kurth in Chicago

Wilfred Kurth, president of the Home of New York group, was in Chicago this week, where he attended the meeting of the governing committee of the Western Underwriters Association. Vice-president John A. Campbell of the Home is a member of the committee. He is still confined to French hospital in New York City following a long siege in connection with an operation.

Van Schaick Will Retain Present Post Temporarily

LEHMAN ISSUES A STATEMENT

New York Insurance Superintendent Will Not Leave Until After the Legislature Adjourns

NEW YORK, Dec. 19.—In the course of an official statement Governor H. H. Lehman announces that G. S. Van Schaick has once more been prevailed upon to subordinate personal considerations and to remain as head of the insurance department for the period of the ensuing legislative session. The New York legislature meets annually, beginning Jan. 2, usually adjourning early in April.

Of Mr. Van Schaick the governor further says: "He has for some time past been eager to be relieved of the great responsibilities and unusual demands of his office. On his shoulders has been placed one of the most gigantic administrative tasks in the history of the state, and he has handled and discharged the heavy responsibilities of his office with unusual devotion to the public interest."

His support is particularly desired by Governor Lehman in view of the amendatory measures the latter intends to present at the forthcoming legislative session and concerning which Superintendent Van Schaick has expert knowledge.

Lansing Fire Insurance Aspects Are Considered

LANSING, MICH., Dec. 19.—There are several insurance aspects to the Hotel Kerns fire here which cost at least 31 lives and injured 37. The liability loss will be light as far as the insurance companies are concerned, there being only one policy for \$5,000/\$10,000 which is said to be issued personally to W. G. Kerns, proprietor of the hotel. It is understood that the hotel formerly had a \$25,000/\$50,000 liability policy, but the coverage was allowed to expire some ten months ago. At the preliminary investigation it was charged there was a delay on the part of the hotel employees in reporting the fire and arousing the guests.

At the inquest Chief Hugo Delfs of the fire department said a good share of the life and property loss could be attributed to the inadequate personnel of his department. Chief Delfs is recognized as one of the leading fire chiefs in the country. Due to lack of adequate man power, for example, it was impossible to maneuver the life net properly and prevent injury to the jumpers.

The immediate result of the fire is a drive for inspection of public and business buildings, particularly hotels, apartments and rooming houses. Many Michigan cities have announced that they will make thorough checkups of conditions. It appears that many cities will adopt legislation requiring hotels to be of fireproof construction and to install sprinkler systems and automatic alarms.

The Kerns hotel fire insurance amounting to \$192,000 on building and contents and \$24,000 rental, was held by several big mutuals.

Will Not Start Before Jan. 1

President F. A. Hubbard announces the Globe & Rutgers will not start writing business until after Jan. 1.

Falls Recovery Is Steady

Though still confined to bed L. E. Falls, vice-president of the American of Newark, is making steady recovery from results of the automobile accident which he suffered at Denver several weeks ago.

Good Chance for U. S. Law on Unlicensed Firms Seen

HOPE EXPRESSED BY BENNETT

Agency Leader Hails Decision of Commissioners Convention to Get Behind Federal Legislation

Satisfaction was voiced by W. H. Bennett, secretary of the National Association of Insurance Agents, in an address at Jersey City over the action of the National Convention of Insurance Commissioners in adopting a resolution favoring federal legislation that would bar the use of the mails to a company that operates in a state without designating an agent for service of process therein.

Mr. Bennett pointed out, however, the National Association of Insurance Agents would go a step farther than that. They favor barring the mails to a company unless it is regularly admitted in the states in which it does business, paying its share of taxation and abiding by the resident agency laws requiring countersignature of policies by resident local agents.

The commissioners, he said, are in agreement with the National association that federal legislation is the way out and they were not timid about so expressing themselves. For the first time, the commissioners' convention recommends federal legislation.

Nothing could be more fair and reasonable than to require every company to operate on a parity with all other companies, he contended. Under such a law, some of the fly-by-night outfits will fold up their tents, but he said there is no reason why the more substantial organizations should not become duly admitted and continue their operations.

He said he has always wondered why London Lloyds permits itself to be classed among the outlaws, rather than to enter the states by the front door and take its rightful place in this country.

"Signs," he declared, "indicate that the underwriters at Lloyds are beginning to see the handwriting on the wall."

"The campaign the National association has been conducting, now coupled with that of the insurance commissioners, cannot fail to impress the underwriters and their staunch champion, the American Bankers Association, that the long honeymoon enjoyed by Lloyds may be near its close."

Mr. Bennett referred to the protests of the International Federation of Commercial Travelers Insurance Organizations against being classified among fly-by-night concerns. "Why, then," he asked, "should such a company not enter the state so that it may no longer be so characterized?"

Eleven-Month Fire Loss Total Declines 13 Percent

NEW YORK, Dec. 19.—With the addition of the November total of \$20,114,346, the fire losses in the United States for the first 11 months amount to \$251,756,181 or a decrease of \$37,515,113 or 13 percent according to the National Board.

While the losses for November represent a decrease of 10.4 percent from November, 1933, they show an increase of 10.29 percent over October. This increase is attributed in part to the burning last month of the grain elevator at Newport News, Va., with a loss of about \$500,000, and the destruction of the Cargill Elevator at Omaha, which it is estimated will prove a \$750,000 loss.

Gets Promotion



ARTHUR WALLER

Arthur Waller, assistant United States manager of the Royal Exchange group, who on Jan. 1 will become manager, succeeding Gayle T. Forbush, who is retiring at that time, has spent his entire business life in fire insurance, having started as a boy in 1897.

Atlanta Wins Contest for Best Fire Prevention Week

NEW YORK, Dec. 19.—Atlanta received the high record for accomplishment during fire prevention week, Oct. 7-13. Fort Collins, Colo., gained second place, with Pine Bluff, Ark., a close third. Judges of the contest were W. H. Koop, president National Board; H. L. Miner, president National Fire Protection Association, and John J. Towey, president International Association of Fire Chiefs.

Joint Blue Goose Meet

The joint meeting of the Seattle and Tacoma Blue Goose will be held Dec. 21 in Tacoma. John Bunting, special agent Crum & Forster in Seattle, and Harold Rowley, special agent Armstrong Agency, will be initiated by the Tacoma group.

State Agency Offices Moved

The Ohio state agency of the Great American, American Alliance, Massachusetts F. & M., and County Fire have been moved from the Hartman building building in Columbus to the 22nd floor of the A. I. U. building. R. T. Huggard is state agent.

Procedure for Refunds in Missouri Being Outlined

FEB. 15 DEADLINE IS SET

Final Order Entered and Companies Are Now Being Instructed as to How to Proceed

A bulletin is being prepared this week instructing fire companies how to proceed in making final refunds of excess premium collections in Missouri. Without further legal protest, the companies will now proceed to comply with an order entered last week by Circuit Judge Sevier at Jefferson City, Mo., for a full accounting on excess premiums collected from Nov. 15, 1922, to Aug. 8, 1929. The way was paved for making such an order valid when the United States Supreme Court declined to review a case taken up by the companies in which the jurisdiction of the Cole county circuit court was challenged.

Under the order entered last week, the companies must file their report by Feb. 15. There is no accurate information as to the amount to be refunded. The best estimate seems to be that the refunds will amount to between \$1,000,000 and \$2,000,000, exclusive of interest.

The companies some time ago completed refunding of excess premiums collected during the period to policyholders who could be located. One estimate is that most of the companies refunded 75 or 80 percent of the amount due.

In the present accounting, there will be no attempt on the part of the companies to locate policyholders who could not previously be located. The order requires them to file a report of all excess premiums collected, together with all refunds actually made and detailed reports on sums that were not refunded. The order provides that the sums already paid may be lumped in the report, but on the unrefunded items the report must be made policy by policy. Interest on the now unrefunded payments will be at 6 percent and will be figured from March 27, 1926, until the date of final payment. The companies will not be required to pay interest on the sums already refunded.

It will be up to the Missouri authorities and the courts to determine what disposition is to be made of the present refunds. A suggestion made some time ago is that such money be turned over to eleemosynary institutions in the state.

The order entered last week by the circuit court was in accordance with an agreement reached with the insurance department and lawyers for the insurance companies several weeks ago.

Bruner Heads Exchange

New officers of the South Bend-Mishawaka Insurance Exchange were elected as follows: President, W. H. Bruner, head of the Bruner Agency, South Bend; vice-president, M. C. Mogle, manager insurance department North Side Trust & Savings Company, Mishawaka; secretary-treasurer, Walter Byrne, D. Sherman Ellison agency, South Bend. The retiring president D. H. Swadener, and Secretary R. M. Richards, of Mishawaka, and Vice-president C. E. Perkins, South Bend, were commended for activities fostered. Prof. Clarence Manion, Notre Dame University law faculty, was principal speaker.

Agents' Mid-year Meet Is Set for Miami March 17

NEW YORK, Dec. 19.—The mid-year meeting of the National Association of Insurance Agents, it has been definitely determined, will be held at the Miami-Biltmore Hotel, Miami, Fla., the week of March 17, 1935.

	1932	1933	1934
	\$	\$	\$
Jan.	39,224,783	35,547,565	28,002,583
Feb.	39,824,622	36,661,481	31,443,484
March	49,189,124	35,321,248	31,312,359
April	43,822,233	27,825,970	22,028,943
May	39,270,524	24,338,714	25,271,459
June	34,338,670	21,578,609	20,005,692
July	32,982,434	20,004,049	19,484,027
Aug.	31,425,931	23,626,505	19,613,146
Sept.	30,972,318	20,447,571	16,243,870
Oct.	30,734,458	21,465,382	18,236,272
Nov.	31,167,708	22,454,200	20,114,346
Total	402,952,805	289,271,294	251,756,181

VIEWED FROM NEW YORK

By GEORGE A. WATSON

TAKES ON MORE TERRITORY

E. S. Waggaman, manager of the southern department of the Liverpool & London & Globe, Star and Federal Union in New York, has been appointed manager of the southeastern department in addition to his present duties. He succeeds M. S. Reeves, who has become manager of the Newark, N. J., office of the Royal group. Mr. Wagga-

man entered the service of the L. & L. & G. in the old southern department at New Orleans where he rose to the post of deputy assistant manager. When the department was moved to New York he became its manager.

SIMON REELECTED PRESIDENT

Paul Simon was reelected president of the General Brokers Association of the

Metropolitan District of New York at the annual meeting, as were the majority of the other officers. A new official is Samuel Goldman, who was chosen fifth vice-president.

COPELAND, NEW YORK MANAGER

Dwight L. Copeland has been placed in charge of the New York office to be opened by the Western Sprinkled Risk Association in accordance with a recent decision to operate in the east as well as the west. He has been connected with the Western Sprinkled Risk since 1931, as special representative, traveling particularly in Indiana, Illinois, Wisconsin and Iowa. He is a graduate of Cor-

nell university. He started in the business with the Stoney Bureau in New England and then went to the Pacific Coast as an inspector for the Pacific Board. His next connection was with the Western Sprinkled Risk.

A New York location is now being selected by the association.

NEW YORK EXCHANGE WINS

The appellate division of the supreme court of New York, first department, has unanimously affirmed without a written opinion the order of Justice Rosenman of the supreme court, special term, Part VI, denying the motion of Murphy & Jordan for judgment against the New York Fire Insurance Exchange on the pleadings. This case grew out of the adoption by the exchange of amendments to certain sections of the agreement which the Murphy firm contended would deprive it of commissions which it otherwise would have received and "expelled" it from membership in the association.

Manager H. M. Hess of the exchange stated that the action of the higher court confirms the written opinion of the lower court. In August, 1933, the New York Fire Insurance Exchange adopted a number of amendments which revised the qualifications of agency members to fix the rate of compensation to be paid to agencies, either members or representing members, and also made several other provisions. Murphy & Jordan attacked the validity of the amendment, contending that it was beyond the power of the exchange to adopt them and that by virtue thereof the firm had been deprived of commissions which otherwise it would have been entitled to receive.

Michigan Directory Is Out

New Insurance Handbook for the State Is Issued by The National Underwriter

The new Michigan Underwriters Handbook, published by THE NATIONAL UNDERWRITER, gives a number of interesting facts in connection with the insurance business in the state.

In 1933 the casualty companies maintained about the same premium income as the previous year, collecting \$25,497,041 as against \$25,770,697 the year before. The losses dropped from \$16,698,535 to \$13,160,557. The premiums of the stock fire companies continued to drop and last year there were \$16,526,329 as against \$19,418,118 in 1932, and \$32,627,426 in the peak year of 1929. Losses, however, took a drop from \$10,957,886 in 1932 to \$8,486,159 in 1933.

The mutual fire companies, for the first time in the last six years, showed an increase in premiums, their figure being \$4,141,970 as compared with \$3,799,970. The losses increased from \$1,423,459 to \$1,598,512.

The 1934 directory lists 757 companies operating in Michigan. Of these 234 are stock fire companies, 164 mutual fire, 96 stock casualty, 43 mutual casualty, 23 reciprocal, 112 life and 85 fraternal.

The handbook presents in handy form the complete statistics and facts regarding insurance in the state. The agency section contains a list of all agents licensed showing their companies, members of the agency, etc. Another feature of importance is the list of solicitors. This is arranged to show the agency in each town which employs solicitors. There is a list of adjusters, attorneys, hotels, field men, general agents and managers, town classifications, etc.

Michigan has always been an important state insurancewise and the Michigan Handbook is one of the oldest publications of its kind.

The Nebraska Fire Prevention Association has scheduled an inspection and educational meeting Jan. 23-24 at North Platte.



"THERE'S NO FIRE — — MY HUSBAND IS STUCK IN THE CHIMNEY!!"

This is a mighty good time of year to guard against false impressions and misunderstandings. It's the time of year for a general check-up on your customer's policies to make sure that they fit his needs properly.

Is he carrying enough of the right kinds of insurance? Is he carrying too much? Where there are several policies on the same property, do they concur in description, hazards, and all important factors?

When you make a good survey of hazards and coverages for your customers, you are performing a worth while service. It marks you as a progressive, intelligent agent. With prospects, too, it creates a fine impression.

* * *

Frankly, we are looking for more first rank agencies who apply modern methods to their work. Would you like to talk with one of our representatives?

Agricultural
Insurance Company
of Watertown, N.Y.

Empire State
Insurance Company
of Watertown, N.Y.

Every type of property insurance for industry and the home.

Greetings
from
The American Group
Newark, N. J.

AMERICAN
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COLUMBIA
•
DIXIE
•
BANKERS

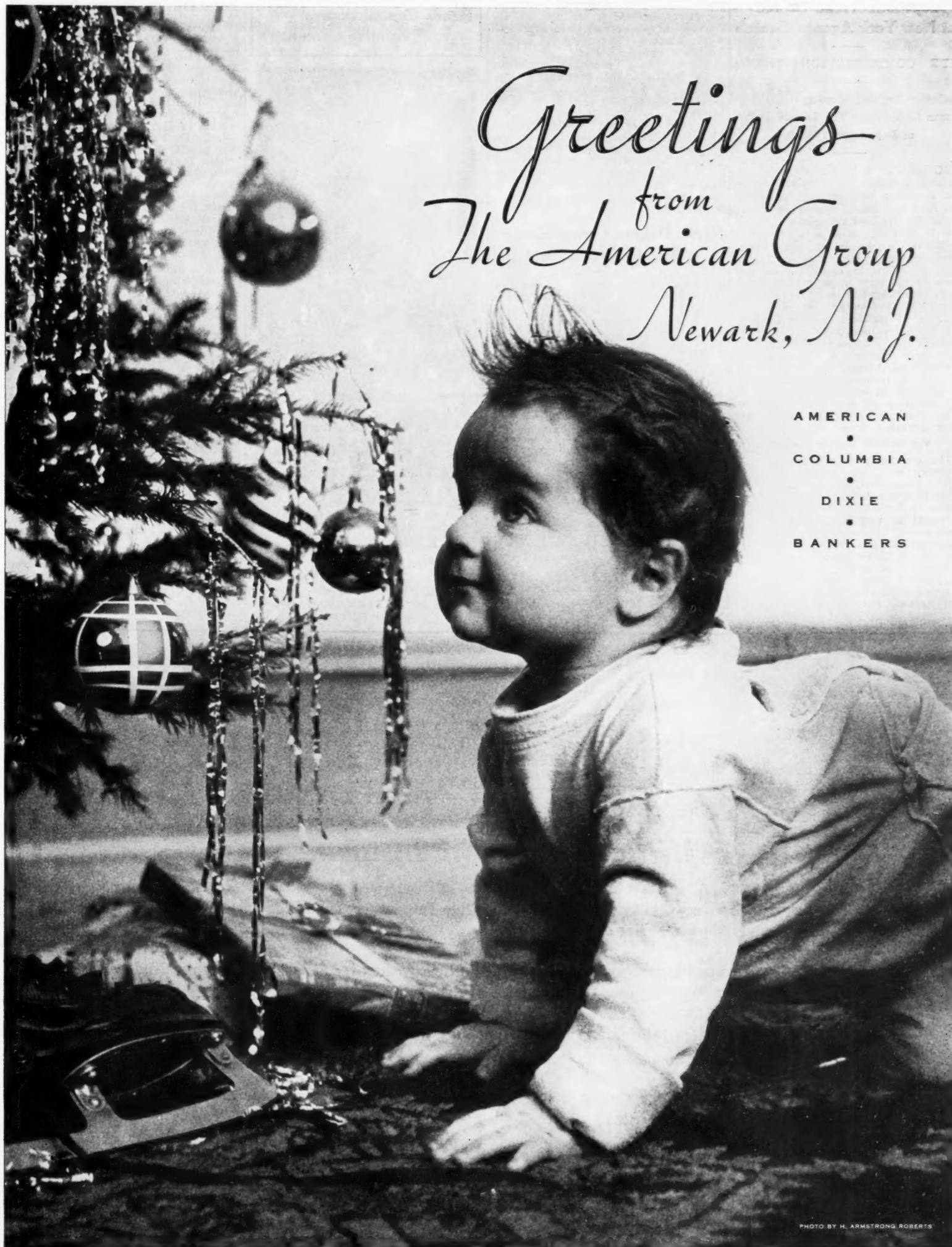


PHOTO BY H. ARMSTRONG ROBERTS

Monopolistic Trend Scored at New York Agents' Confab

CITE COMPENSATION TREND

Rochester Regional Meeting Urges Vigorous Opposition—Van Schaick Tells of Department's Work

ROCHESTER, N. Y., Dec. 19.—The apparent trend of the state administration toward a monopolistic compensation fund was scored heavily by speakers at the regional convention here of the New York State Association of Insurance Agents and the state legislative committee was instructed to take vigorous action in opposition to any move by the state to require all workmen's compensation insurance to be placed with the state fund.

The chief speakers in opposition to any move for monopolistic state fund compensation insurance or compulsory automobile insurance were Leonard S. Saunders of Albany, secretary of the New York Insurance Federation, and C. W. Johnson of Philadelphia, assistant secretary of the North America. Both contended that monopoly will mean increased rates.

Van Schaick Dinner Speaker

The convention was concluded with a dinner with 160 in attendance, at which Superintendent George S. Van Schaick, whose decision to continue for a time at the head of the insurance department is very gratifying to New York agents generally, traced the work his department has done to prevent chaotic conditions in the department due to failure of major companies. He said every effort of the department has been directed along constructive lines and that its only motive has been that of advancing public interest. Referring to

the rehabilitation of several important companies, he said it has been an inspiration to have a part in this gigantic work, which has succeeded far beyond his most optimistic hopes.

T. A. Sharp, president Rochester Underwriters Board, presided at the dinner. F. L. Greeno of Rochester, president of the state association, spoke briefly.

At the afternoon session Albert Dodge of Buffalo, national councillor, discussed finance company competition. William Lucas of Le Roy spoke on the latest developments in farm underwriting and Mr. Saunders discussed the probable insurance program in the next legislature.

North Dakota Commissioner Asserts His Qualifications

Rumors have been current recently that an attempt would be made to invalidate the election of Harold Hopton as insurance commissioner of North Dakota on the ground that he is a citizen of Canada. Mr. Hopton said he is at a loss to understand what question could be raised as to his qualifications. He states he spent two years in Winnipeg, but did not lose his American citizenship. He said he continued to vote in Bismarck and returned to North Dakota as soon as his mission in Canada was completed.

"At no time have I ever voted elsewhere than at Bismarck," he said.

Mr. Hopton was born in England and became a citizen of the United States as a minor when his father fulfilled naturalization requirements in 1912.

The agitation about unseating Mr. Hopton is apparently part of the movement centering about the efforts to disqualify Governor-elect Moodie.

Pond in Christmas Party

More than 75 fieldmen attended the annual Christmas luncheon party of the

Heads Commissioners' Executive Committee



C. A. GOUGH

C. A. Gough, deputy commissioner of New Jersey, was elected chairman of the executive committee of the National Convention of Insurance Commissioners at the annual meeting in St. Petersburg. He is a faithful and intelligent member of the convention. He is the authority, to whom insurance people look in New Jersey, having been connected with the department 42 years.

Heart of America Blue Goose in Kansas City, with H. C. Ferry, state agent New Hampshire, in the chair. Frank Beach, chairman charity committee, reported about \$175 for use in adopting

Seek National Association 1936 Meet for Hot Springs

LITTLE ROCK, Dec. 19.—The Arkansas Association of Insurance Agents at its midyear meeting here provisionally approved a suggestion that the National Association of Insurance Agents be invited to hold its 1936 convention in Hot Springs National Park.

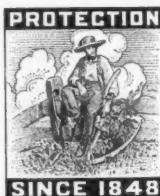
J. R. Donham, Little Rock, association president, was in charge of the meeting, and Frank T. Priest, Wichita, Kan., chairman of the finance committee of the National association, was the principal speaker. The agents also discussed the changes in the Arkansas insurance code suggested by Commissioner U. A. Gentry.

At noon the 125 members in attendance joined the American Legion in a luncheon honoring Frank Belgrano, Jr., national commander, who is also president of the Pacific National Fire.

At the afternoon session, changes in the state insurance laws proposed by Commissioner Gentry were discussed and the association pledged the commissioner and the governor its cooperation in bringing about such changes as are decided upon.

The executive session was held late Friday afternoon, attended by local agents only, at which time various subjects of interest were discussed. A resolution was adopted thanking the National association for sending Mr. Priest to Arkansas to address the meeting. Plans for the 1936 convention were also discussed. About 125 agents attended. President Donham was assisted in conducting the meeting by C. C. Mitchener, Marianna, secretary-treasurer, and L. R. Martin, Pocahontas, business manager.

needy families this Christmas, an annual custom of the pond. W. O. Woodsmall, state agent Fire Association, will be chairman at the next meeting, Jan. 7.



Millions Paid in Insurance

Interesting is the story told in the records of the Ohio Farmers regarding the amounts in losses paid to hundreds of thousands of policyholders.

Individuals, firms and large corporations have benefitted by the over \$57,000,000 they received.

Since the year 1848 the Ohio Farmers has been indemnifying policyholders for losses sustained. Holders of the Ohio Farmers policies are assured that they will be paid according to contract if losses are sustained.

Fire, tornado, automobile, sprinkler leakage, parcel post, rent and rental value are among the varied lines of Ohio Farmers insurance.

OHIO FARMERS
INSURANCE CO.—LEROY, O.

SPANNING THE YEARS



1873

IN 1878 N. Snellenburg and Company of Philadelphia was five years old and occupied the "shop," shown in the insert, at 318 South Street.

In 1878 J. E. Hyneman and Company, in its tenth year, was appointed agent for the Newark Fire Insurance Company and placed the Snellenburg insurance account with that Company.

In 1878 the Newark Fire Insurance Company, then sixty-seven years old, was "building for the future" by maintaining a sound financial condition and employing progressive underwriting methods. Acquiring this account laid another stone in the foundation which was to support a long span of sound insurance protection throughout the years.



1934

In 1934 N. Snellenburg and Company, now one of Philadelphia's leading department stores, occupies the imposing structure shown in the large photograph.

In 1934 Charles T. Monk and Company, successor to J. E. Hyneman and Company, is still handling the insurance for the Snellenburg department store and placing it with the Newark

Fire. Again a Royal - Liverpool Company has "spanned the years"—rendering to this store fifty-six years of sound and uninterrupted protection.

In 1934 the Newark Fire, in common with the other Companies of the Royal-Liverpool Groups, is still "building for the future," offering the utmost in service and protection to Agents and Insureds.

ROYAL-LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA
 THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA
 FEDERAL UNION INSURANCE COMPANY • THE NEWARK FIRE INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • STAR INSURANCE COMPANY OF AMERICA



**PROTECT
WHAT YOU
HAVE**

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Successful salesmanship includes selling people what they need . . . *when they need it*. Fur and Jewelry Floaters have a special appeal during and after the holiday season. Too, these coverages can prove an effective wedge for the sale of other forms. North America Agents are furnished folders, sales letters, newspaper advertisements and other sales literature . . . free for the asking.

See the North America full page advertisement in the Literary Digest, December 1, and Time, December 3.

Insurance Company of North America PHILADELPHIA

and its affiliated companies write practically every form of insurance, except life

Founded 1792
Capital \$12,000,000
Surplus to Policyholders over \$54,000,000



NEWS OF FIELD MEN

New Wisconsin Arrangements

St. Paul Fire & Marine Group Announces Rearrangements of the Field Men's Jurisdiction

The St. Paul Fire & Marine is dividing Wisconsin into three divisions instead of two as heretofore. State Agent D. W. Swanson will be in charge of the northeastern half, D. O. Stine the southwestern half except three counties and P. F. McKown supervising Milwaukee, Racine and Kenosha counties.

Paul F. Powers has been appointed special agent of the St. Paul F. & M., St. Paul Mercury Indemnity and Minnesota Underwriters in southern Wisconsin. He has had several years casualty training with the Hartford Accident & Indemnity and for the last eight years has been employed in the Leedom, O'Connor & Noyes Agency in Milwaukee. His headquarters will be at 825 North Jefferson street, Milwaukee. He will assist State Agent Swanson in the northwestern counties. Mr. Swanson is moving his headquarters from Eau Claire to the Milwaukee headquarters.

Mr. Powers will also assist State Agent Stine in the southern and western sections. Mr. Stine has had added to his field Jackson, Buffalo and Trempealeau counties. Mr. McKown is a son of Secretary J. C. McKown of the St. Paul F. & M. group.

Mr. McKown has been assisting State Agent D. O. Stine in southern Wisconsin. Mr. Swanson will have jurisdiction over the following counties in addition to his regular northern Wisconsin territory: Winnebago, Calumet, Manitowoc, Fond du Lac, Sheboygan, Washington and Ozaukee.

Mr. Stine will continue his headquarters at Reedsburg. Mr. McKown will have his headquarters at 825 North Jefferson street, Milwaukee.

Michigan Field Club Puts Out "Bad Risk" Bulletins

DETROIT, Dec. 19.—A bulletin service advising all member field men of bad risks throughout the state has been launched by the Michigan Field Club, Bureau company organization. Bulletins are mailed out periodically by Secretary D. C. James, Firemen's group.

Only larger risks where the line includes several companies and considerable amount of insurance are featured. Although the service has just been started, companies have been notified of several unsatisfactory risks and have withdrawn from them in time to avert an unfavorable experience. Mr. James, who is thoroughly "sold" on the idea, cites examples in which fires occurred soon after companies had cancelled, following warnings that fires were likely to occur.

Hunt With Provident Fire

Spotswood Hunt has been appointed special agent in North Carolina for the Provident Fire of the Royal Exchange group. For the past three years he has been a local agent at Raleigh, prior to which time he traveled the state for the Aetna Fire.

Honor New York Officials

Officials of the police and of the fire departments together with assistant district attorneys of the various boroughs of Greater New York, were honor guests of the New York City Blue Goose at its dinner Dec. 14. Albert Conway, supreme court justice and former New York superintendent of insurance, was toastmaster and introduced the guests, whose particular work in crime detec-

tion and prevention was dwelt upon by different members of the National Board and company officials. Toastmaster Conway paid deserved tribute to Most Loyal Gander Clarence Axman of the "Eastern Underwriter" who had arranged the program.

Honor Frank Beazley

A group of 50 field men and friends held a banquet in Oklahoma City Monday in honor of Frank Beazley, who is to leave Jan. 1 for Wichita to become Kansas state agent of the Phoenix of Hartford. Mr. Beazley has been prominent in Oklahoma fire insurance circles as state agent for the same company.

Field Club Hears Wykoff

The Fire Insurance Field Club of Cleveland met Monday. L. D. Wykoff, insurance attorney, of McKeehan, Merrick, Arter & Stewart, discussed the valued policy law and the effect of ordinances on losses. Burt O. Evans and E. B. Leighton were in charge of the program. R. L. Bowen, newly appointed superintendent of insurance of Ohio, was a guest, and spoke briefly.

Ohio "Appreciation Meeting"

The Ohio Blue Goose will hold an "appreciation meeting" in Columbus the evening of Jan. 7. A number of candidates will be initiated. The meeting is in appreciation of the grand nest's electing R. W. Hukill, a member of the Ohio pond, as grand keeper. A membership campaign is to be put on, with a reduced fee, in an effort to bring in some of the 100 non-members in Ohio. The Ohio field clubs will hold their meetings Jan. 8 instead of Jan. 1, which is the first Tuesday and the usual meeting date.

Stone Twin Cities Manager

Henry E. Stone has been appointed Minneapolis-St. Paul manager of the Firemen's group, succeeding A. A. Clothier who died in September. Mr. Stone has been traveling for the Milwaukee Mechanics in Minnesota outside of the Twin Cities. That work is now being turned over to Philip Olson, who handles Minnesota outside of the Twin Cities for two or three other companies in the Firemen's group.

Plan for Annual Meeting

A meeting of officers and committee chairmen of the Illinois Blue Goose has been called for next Monday afternoon to discuss activities for the next few months. A suggestion will be considered that the annual meeting be held in Decatur the evening of Jan. 17. On that day there will be held in Decatur the semi-annual meeting of the Illinois Fire Underwriters Association.

Although the annual meeting of the Blue Goose last year was held in June, at that time it was decided that the annual meeting should be held thereafter during the winter.

Criminologist Talks

Inspector Frank Latulipe of the police department spoke at the San Francisco Blue Goose luncheon last Monday. Inspector Latulipe, criminologist of the department, discussed his experiences in the police laboratories.

To Furnish Christmas Baskets

The Sunflower puddle of the Blue Goose at Wichita voted to furnish Christmas baskets to poor families. Hugh Coldwater, special agent Commercial Union fleet, recently transferred to Wichita from Texas, was a guest. A committee is to work with the Wichita Insurers in bringing the Wichita insurance library, established in 1926, up to date. The library is maintained in connection with the public library.

Christmas greetings and best wishes
for 1935 to the insurance fraternity...
the providers of security to American
business, property and society.

AMERICAN EQUITABLE ASSURANCE COMPANY
OF NEW YORK

Organized 1918 Capital \$1,000,000.00

GLOBE & REPUBLIC INSURANCE COMPANY
OF AMERICA

Philadelphia, Pa. Established 1862
Capital \$1,000,000.00

KNICKERBOCKER INSURANCE COMPANY
OF NEW YORK

Organized 1913 Capital \$1,000,000.00

MERCHANTS AND MANUFACTURERS FIRE
INSURANCE COMPANY

Newark, N. J. Chartered 1849 Capital \$1,000,000.00

NEW YORK FIRE INSURANCE COMPANY

Incorporated 1832 Capital \$1,000,000.00

SUSSEX FIRE INSURANCE COMPANY

Newark, N. J. Organized 1928 Capital \$1,000,000.00

CORROON & REYNOLDS

Incorporated

INSURANCE UNDERWRITERS

Manager

92 William Street

New York, N. Y.

Draft of Illinois Code Published

(CONTINUED FROM PAGE 3)

organization within the state, keeping all records pertaining to its operations in Illinois in that office.

There is a provision that the insurance director shall approve only such schedules and methods as will effect a reasonable cost according to the risk assumed in each individual policy issued. That section apparently puts rate control on every form of insurance in Illinois except health and accident, life, ocean marine, title and business transacted by county, township and district fire and windstorm companies.

Five-Year Experience

Whether a company operates its own rating organization or is a subscriber to a rating organization, it shall charge no rates unless they have been computed from the experience covering a period of five years unless the director shall find a shorter period to be reasonable or necessary to protect the solvency of casualty companies. The rate for each kind of insurance shall be calculated so as not to produce an underwriting profit in excess of 5 percent of the earned premium.

The rate for each kind of insurance shall be reduced or may be increased in proportion to the respective reduction or increase in the premium which the experience shows should have been earned to produce an underwriting profit of not to exceed 5 percent.

A rating organization operated for the benefit of more than one company must admit to membership or furnish its services to any company authorized in Illinois.

The rating organization shall not make any discriminatory rates.

Each company in the state shall be a member of or a subscriber to a rat-

ing organization or shall maintain one of its own. However, if a company has not been authorized in the state for at least five years, it shall be a member of or a subscriber to a rating organization.

A company may not issue policies which do not conform to the requirements of the rating organization to which it belongs or which it operates except that a company may deviate from the rate if its experience during a period of not less than five years preceding warrants such deviation and provided the deviation is filed with the rating organization and the insurance director.

In the article relating to casualty insurance there is the provision that the case basis be used for loss reserves except for liability and compensation. There is a provision for distribution of unallocated compensation and liability loss expense.

There is the provision that bankruptcy or insolvency of the assured shall not be a defense to the company issuing the policy.

The code provides for statutory recognition of the customary premium reserve setup, being 50 percent of one year policies, etc.

Section 30 Remains

There is a provision that agents may obtain a license to procure policies of fire insurance from organizations not authorized to do business in Illinois if such insurance is not obtainable from admitted companies.

The old section 30 which provides for taxes on net receipts of companies is included in the new code.

A cursory examination of the sections relating to district, county and township mutuals indicates that about the only change is the requirement that the treasurer and secretary give bond.

The code starts off with a definition of insurance, as follows: "A contract of insurance is an agreement by which one party called the insurer promises for

a consideration, to pay money or its equivalent, or to do an act valuable to another person called the assured, or to his beneficiary, upon the destruction, loss or injury of something in which the assured or his beneficiary has an interest."

The director would be given power to subpoena witnesses, to administer oaths, require production of books, etc. Persons failing to appear or refusing to answer questions may be held in contempt and be subject to penalty of not exceeding \$1,000.

If the director shall insist upon a person testifying, over the protest of such person that such testimony might tend to incriminate him, no testimony so given shall be received against him upon any criminal action, provided that the person not be exempt from prosecution for any injury or false statement made by him in his testimony.

Promotion Expense 15%

In the part of the code devoted to organization and admission of companies, there is a provision that promotion expense shall not exceed 15 percent of the sale price of the capital stock as when paid in. Formerly there was a 20 percent limit. In connection with fire and marine insurance there is the provision that each domestic capital stock company, in addition to the capital required, shall have a surplus paid in cash or securities equal to at least 50 percent of the capital required of such company. That is a new provision and is modeled after a feature of the Wisconsin law.

There is a section whereunder stock companies may convert themselves into mutuals. Such a provision formerly existed for life companies but this has been extended to the fire and casualty field.

Whenever a mutual company issues a policy providing for contingent liability, such provision shall be set forth in bold face type.

There is a provision that no new

Lloyds association may be formed. Hereafter a Lloyds may write either the classes of business which a casualty company may transact or which a fire company may transact but not both classes.

Each underwriter in any Lloyds association shall be required to maintain a deposit in trust with a bank or trust company in the form of cash or securities of a specified nature to indemnify policyholders from loss on outstanding policies. The maximum amount of insurance to be assumed by any individual underwriter shall not be greater than 10 percent of the amount so deposited.

The available assets of such association for the payment of losses shall at all times be at least five times the amount to be assumed, net without reinsurance in licensed insurers upon a single risk accumulative for each kind of insurance.

There is an article devoted to unauthorized practices.

Engaging in Insurance

Any organization shall be deemed as engaging in an insurance business in Illinois which maintains in Illinois an agency or office wherein policies are signed and executed, whether delivered by agents or otherwise to persons of Illinois or any other state. Under this provision, the outfits that are incorporated in Delaware and other states, but have their executive offices in Illinois, wherefrom they solicit business in other states than Illinois, would be reached.

Then there is the provision that an insurance organization may not publish in any newspaper, magazine, periodical, circular, letter, pamphlet or in any other manner, or publish by radio broadcasting in Illinois, any advertisement, either directly or indirectly, setting forth the advantages of or soliciting business for any insurance company which is not authorized in Illinois.

(CONTINUED ON PAGE 39)

REINSURANCE

PORTFOLIOS SOLICITED

FIRE • TORNADO • AUTOMOBILE

INTER-OCEAN REINSURANCE COMPANY

EASTERN DEPARTMENT
123 William Street
New York City

HOME OFFICE
Cedar Rapids, Iowa

As this year draws to a close and the spirit of the holiday season prevails, we find that among our most cherished possessions are the sincere friendships and the unwavering loyalty of our agents and policyholders. : : : :

To each and everyone we extend a hearty wish for the happiest of Christmases and the merriest of New Years.

PEARL-AMERICAN FLEET

PEARL ASSURANCE CO., LTD., UNITED STATES BRANCH
EUREKA-SECURITY FIRE & MARINE INSURANCE CO.
MONARCH FIRE INSURANCE COMPANY

CLEVELAND, OHIO
4300 EUCLID AVE.

NEW YORK CITY
80 JOHN ST.

CINCINNATI, OHIO
22 GARFIELD PLACE

SAN FRANCISCO
200 BUSH STREET

R.N. CRAWFORD & Co.

INC.
INSURANCE EXCHANGE • CHICAGO TELEPHONE WABASH 2637

SPECIALISTS

in the

UNUSUAL CONTRACTS

Not Obtainable from
American Companies

Insured

Through the Largest and
Most Favorably Known

Underwriters

AT LONDON, ENGLAND

They write no stories

They write no stories, those thousands of human beings to whom life insurance means security, peace, freedom from worry.

Every day, those events which never make the front page, but which are the fabric of life, tell the true story of life insurance. Fires are lighted in the morning and the day faced with the courage which knows there is safety ahead; families rest content at night, unhaunted by nameless fears for the future.

Back of many a policy is a tale of human courage, of pathos, of romance, but these dramatic incidents merely punctuate the real story of life insurance. Its most vital chapters are written as it quietly and without fanfare steadies the pulse of the routine world, in which most of us live.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

AS SEEN FROM CHICAGO

SCHOENBERG HOST TO MANAGERS

P. M. Schoenberg, independent adjuster of Chicago with office in the Insurance Exchange, was host at a venison dinner to 76 company managers, assistant managers, claim men and others. He shot the deer himself at Wausaukee, Wis., at the foot of Thunder mountain.

FIELD CLUB IN ANNUAL PARTY

Managers and special agents at Chicago disported at the annual frolic of the Cook County Field Club, approximately 100 persons attending. A. H. Wishard, America Fore, retiring president, sang his swan song and H. M. Abernathy, Glens Falls, the new president, presided. D. A. Bickheart, Phoenix of Hartford group, was toastmaster. There was no business session, the entire evening being spent in jollification, with a large entertainment bill. Among those present were E. B. Vickery, secretary America Fore; C. M. Hayden, vice-president Glens Falls; T. L. Pusey, superintendent brokerage and service department Phoenix of London, and R. I. Read, manager brokerage department Crum & Forster, Chicago. The 1935 program of monthly meetings as in the past calls for prominent speakers on insurance and allied subjects.

JOINS HOGLE AGENCY

J. F. McDiarmid, who was connected with the North America as special agent about four years and who for the past two years has been connected with several local agencies, has made a connection with the J. M. Hogle agency of Chicago as Cook county special agent.

HALL TO BE CHICAGO MANAGER

Appointment of Ralph J. Hall, for the past year consulting engineer of the Aero Insurance Underwriters, as manager of that organization's Chicago branch has been announced by Maj. George L. Lloyd, manager of the Aero. He succeeds D. M. Stewart, who was transferred to the main office at New York following the resignation of his brother, Capt. L. M. Stewart, to manage an aviation underwriting group being organized by a number of prominent British companies and Lloyds' underwriters.

Mr. Hall has had a distinguished career in aviation. Before becoming consulting engineer for the Aero, he was for many years with the Curtiss-Wright Flying Service. He saw service with the 35th Aero Squadron during the war. He is a captain in the air corps reserve, a member of various aeronautical societies and holds a transport pilot's license.

LINNELL IN NEW POST

L. M. Linnell, who was secretary of the Great Lakes of Chicago and is a veteran fire insurance man of that city, is now connected with the Western Sprinkled Risk Association.

ROUND TABLE FESTIVITIES

The Knights of the Round Table of the Union League Club in Chicago held forth last Saturday with W. R. Townley, treasurer Underwriters Salvage company as president, in the chair. The chief feature was a debate on the "New Deal." C. F. Thomas, secretary Western Underwriters Association, a rock-ribbed Republican, was selected to defend the "New Deal" in all its aspects. J. W. Hubbell, head of the National Inspection Company, dyed-in-the-wood Democrat, was chosen to oppose the "New Deal." H. T. Cartledge, deputy United States manager Royal-L. & L. & G. group, was present to speak for the eastern contingent.

W. P. Robertson, North America, presented John F. Stafford of Babson Park, Fla., who recently retired as western manager of the Sun, with a silver vase. Mr. Stafford, who was present, responded with feeling and he is now a

non-resident knight.

Mr. Townley was reelected president; Carl H. Ingram, Great American, scribe; A. F. Powrie, Fire Association, vice-president, and W. H. Lininger, Springfield, treasurer.

Scribe Ingram had silver crowns for all at the table, they forming a glittering array, being in different designs for knights, scribes and neophytes.

NET RECEIPTS LITIGATION

The Illinois supreme court in a decision just handed down has held that foreign mutual fire companies operating in the state are subject to net receipts taxation under section 30 of the act of 1869, on the same basis as are stock fire companies. The decision was in the case of the Michigan Millers Mutual Fire.

The Illinois supreme court, in this case, followed the opinion of the United States Supreme Court in the Concordia case. In that case, among other things, the United States Supreme Court held that section 30 applied only to the fire, marine and inland premiums of fire companies and not to automobile and other business, which is also written by casualty companies.

The Michigan Millers was sued a few years ago in Illinois as a test case to determine whether mutual fire companies are subject to section 30. The lower court held that they were liable. Subsequently the supreme court upheld the opinion of the lower court and further held that the mutual fire companies are liable on all classifications of their business. There was a petition for a rehearing and the supreme court has now entered judgment, reversing the opinion of the lower court and specifying that foreign mutual fire companies may not be taxed on premiums from lines also written by casualty companies.

The court also held mutual fire companies might not claim a deduction a proration of their home office overhead for Cook county.

Just a day or two before the supreme court handed down this decision, State's Attorney Courtney of Cook county announced that his office was taking steps to collect net receipts taxes from foreign casualty companies for the past four years.

Insurance people were bewildered at this move. In the first place the Illinois supreme court in 1914 specifically held that foreign casualty companies were not subject to net receipts taxation on the ground that there was no statute in Illinois in clear and unambiguous language providing for such taxation.

Furthermore, insurance men fail to see how any headway could be made towards taxing foreign casualty companies on their automobile, fire, theft, collision, etc., because of the United States Supreme Court decision in the Concordia case and then the Illinois supreme court decision in the Michigan Millers case.

SPRINGFIELD'S OPERA PARTY

A most unusual party for employees of the western department of the Springfield Fire & Marine was given this week by the management. Nearly 200 employees and their wives were taken to a performance of "Faust" by the Chicago Civic Opera Company and afterwards were served refreshments in the rooms of the Electrical Club in the Opera building. There they were addressed by George W. Rossiter, president of the Opera company, and five of the opera stars.

The response to Mr. Rossiter's greetings was made by C. E. Varley, assistant manager of the Springfield. Mr. Varley is credited with having conceived the idea of the opera party and he is recommending such an affair to managers of other western departments, feeling that in this way the fire insurance business would be supporting a worthy enterprise as well as being means of creating good will among the force.

Missouri Commissioner and Agents Confer on New Code

CONTEMPLATE MANY CHANGES

Insurance Laws of State Would Be Strengthened and Revised in Many Respects

ST. LOUIS, Dec. 19.—A special committee of the Missouri Association of Insurance Agents is conferring with Superintendent O'Malley and P. E. McHaney attorney for the insurance department, on the tentative draft of the proposed insurance code for Missouri that has been prepared by McHaney on instructions from O'Malley. Copies of the draft have been distributed. The plan is to submit the act to the forthcoming session of the legislature.

Under the code the department would exercise some control over such organizations as London Lloyds. There is a requirement that fixed amounts must be set up according to the age of the claim by reciprocals in their loss reserves.

There is provision for examination of all agents and brokers seeking licenses. If a license is revoked the licensee cannot obtain a renewal for a period of two years. Section 59 provides the superintendent may license only individuals and that no license shall be issued to a partnership, corporation or association of persons.

There are regulations for the licensing of public adjusters.

There are strict provisions relative to the payment of net balances due companies on demand.

An agent can obtain the right to place business with unlicensed carriers. The agent acting for unauthorized carriers shall be held personally liable for the payment of all claims under policies he has placed with such concerns in the event of the company's failure to pay any claim or loss arising under its policies.

Stock with policy sales are prohibited. The capital requirements for stipulated premium companies would be increased.

The general trend is toward a stronger financial set up for all types of insurance carriers and a tightening of the provisions so that all insurance buyers shall be treated alike. One very important change is that dividends by insurance companies would be limited to the actual profits from the business. There is a provision for the registration of all life policies and annuity contracts.

Williams Still Seriously Ill

HARTFORD, Dec. 19.—Vice-president R. H. Williams of the Travelers Fire, who has been ill for several weeks, is still in the Hartford hospital. He is still a very sick man, but reports are more optimistic than they have been heretofore. Physicians say that they expect him to recover, but he probably will be on vacation for a long time.

COMPANY NEWS

Globe & Rutgers' Officials

The present official staff of the Globe & Rutgers, which has now been rehabilitated, is: John C. Jay, chairman executive committee; Fred A. Hubbard, president; H. E. Bilkey, executive vice-president; J. D. Lester, vice-president; J. H. Mulvehill, vice-president and secretary, and J. L. Hahn, secretary.

Fidelity & Guaranty Dividend

BALTIMORE, Dec. 19.—An initial dividend of 50 cents a share has been declared by the Fidelity & Guaranty Fire. President Gantert pointed out that the company has been in operation only five years and has had to absorb the initial costs of organization and de-

velopment of agencies as well as establishment of unearned premium reserves. After providing for these organization expenses, he said, results of operations the past 18 months have yielded satisfactory net earnings. As of Dec. 1, it shows a surplus of \$1,156,926, after providing for unearned premiums, losses, state and federal taxes and other contingent liability reserves. Security holdings are based on Nov. 30 market values.

Detroit National Figures

On page 117 of the recently issued Underwriters Handbook of Michigan the figures showing the business of the De-

troit National Fire in Michigan for the years 1928-1931 were omitted. The figures for these years are:

	Premiums	Losses
1928	\$116,043	\$39,933
1929	107,847	59,933
1930	89,600	47,232
1931	85,795	44,047

For the past six years the Detroit National has had premium income of \$518,452 and losses of \$257,922 in Michigan.

Lion Assurance to Liquidate

It is understood that the Lion Assurance, Los Angeles fire company, which discontinued active business several years ago, is liquidating and plans to surrender its charter before the end of the year.

The corporation was organized by I. M. Fisher, Los Angeles general agent, who was president of the company.

Massie Confederation Life Director

Col. R. F. Massie of Toronto, president of the Dominion Fire and of Massie & Renwick, has been made a director of the Confederation Life.

Gilsdorf Dayton Speaker

W. J. Gilsdorf, Columbus, president Ohio Fire Underwriters Association, spoke on "Fire Prevention and Its Relation to Industry" before the industrial safety school at Dayton.



Underwood & Underwood

How To Make *Satisfied* Customers

YOUR TELEPHONE RINGS! Instead of an order or a renewal an excited client is on the wire reporting a loss.

There should be no faltering or hesitation on your part. Get the facts, make an inspection immediately, and send a report to the company the same day.

Then, assuming the loss is found legitimate, if your company will follow through with a prompt equitable settlement you will have a satisfied customer—a customer that will work for you and bring you business. There is no better advertising.

How to make satisfied customers! Perhaps we can help you solve this prob-

lem. By speeding up the payment of losses we make thousands of satisfied customers for our agents.

Our files contain many letters like this one from agent Conrad Schrader, Shelbyville, Indiana:

"The exceptional loss service you have rendered has caused a lot of comment in your favor in this community and is a great help in putting new business on our books."

Does this kind of service appeal to you?

We are interested in first rank agents—so we invite you to investigate our complete facilities and attractive agency contract. Simply write to us now saying "send the details."

1865



1934

MILLERS NATIONAL INSURANCE COMPANY • CHICAGO

A Good Strong Company

THE NATIONAL UNDERWRITER

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National Bureau's Progressive Work

THE NATIONAL BUREAU OF CASUALTY & SURETY UNDERWRITERS is to be heartily commended and congratulated on the work that it is doing in bringing out modernized coverages and introducing forms of insurance to meet the demands of the present. The tendency in some organizations is to stagnate. An organization of companies is composed of officials of various degrees of opinions. The more progressive ones, with a larger vision, see the necessity of constant change and experiment. They are not tied entirely to precedent. They appreciate the fact that civilization is either developing or retrograding.

Particularly in these days is change apparent. Precedent is an excellent guide. We can learn much from experience. Many individuals travel too far from the path of experience. The history of things accomplished is valuable in helping to blaze the way for the future. However, we should not be tied irrevocably to the way business has been conducted in the past. These are times when any sort of business must keep up with the procession and meet the demands of the day. Business must be responsive. Insurance authorities must study the peculiar needs of policyholders and attempt to adapt coverages to fit them. This is particularly true with casualty insurance and surety bonds. People more and more see the necessity of protecting

themselves against any form of loss that may cause a violent shock. Policyholders purchase insurance to protect their property, themselves and their dependents from loss.

The NATIONAL BUREAU OF CASUALTY & SURETY UNDERWRITERS is a forward looking organization. It is splendidly equipped for its job. It endeavors to keep in touch with the times and to give the service that agents demand. Insurance organizations can do no better than keep in intimate touch with the sales forces of the country. After all, it is the agents who come in contact with the purchasers of insurance and sense their desires. At times, of course, agents may misinterpret the voice of the people. They may appeal to companies to do things that are impractical and unwise. It would be most undesirable for the sales forces to control insurance companies or company organizations. At the same time, the administration end of insurance should not overlook the fact that the agents interpret the wants of the buying public quite intelligently. Therefore, it is necessary to meet the demands in a business-like, understanding way. When an organization like the NATIONAL BUREAU OF CASUALTY & SURETY UNDERWRITERS does this, it proves of value to all in the business. Insurance cannot afford to be behind in the great procession of business enterprises.

Mr. Beresford's Retirement

THE announcement that PERCIVAL BERESFORD, United States manager of the PHOENIX ASSURANCE group, is to retire from active life brings a pang of regret to his friends, in fact all those who have come in contact with him along the journey. Mr. BERESFORD is not only a very efficient administrative officer but in his personal contacts he is warm hearted and amiable. He is a native of Great Britain, coming to the United States in 1909 as manager of the

PHOENIX ASSURANCE. He has adapted himself to the ways and customs of our own country and that he is perfectly satisfied with his later environment is amply evidenced by the fact that in his retirement he will reside on this side of the water. Mr. BERESFORD has contributed much, not only to his own organization but to the general welfare of the business. It is men like him that give insurance the stability and character that is well worth while.

Putting Action Into Service

WE HEAR much about rendering service and yet it has become an academic term with many of us. We do not put into concrete, working form what we think we should do. Service requires more

than talk or resolutions. Determination should be back of it and action should accompany it. One must give before he is willing to take in order to reach that goal.

PERSONAL SIDE OF BUSINESS

A. G. Hall, editor of the "Insurance Advocate" of New York, is in the Englewood, N. J., hospital, having undergone an operation on his eye. He will not return to his office for some little time.

Fred M. Gund, western manager of the Crum & Forster companies, is recovering in good shape from an operation, and will move to the Edgewater Beach Hotel in Chicago to rest a while before he returns to his home.

Miss Marjorie Alice Hawley of LeRoy, O., daughter of President Frank H. Hawley of the Ohio Farmers and Mrs. Hawley, was married in the Methodist Church in her town to Robert E. Borton of Cleveland. Dr. P. S. Hyde, pastor of the church, officiated. A reception followed the wedding and later a wedding dinner was served in the Westfield Inn. The bride is a graduate of Ohio Wesleyan and spent a year in travel and study in Europe. Mr. Borton is an Oberlin man and is associated with his father in the T. E. Borton & Co. at Cleveland.

James Gibson Nicoll of Edinburgh, general manager of the Scottish Union & National, was elected a director at a meeting of the board in Edinburgh. Mr. Nicoll is most favorably known to insurance executives and representatives in this country and Canada, having visited here practically every year and traveled extensively on inspection tours in company with United States Manager J. H. Vreeland.

Otis O. Miller, head of the Miller Insurance Agency of Belleville, Ill., has been appointed commissioner of the police and fire departments in his city. Mr. Miller formerly played third base for the Boston baseball team in the American League.

W. Stanley Pearce, advertising manager of the Fireman's Fund group, portrayed the role of "Mr. Moreland" in the Barrie play "Mary Rose" presented by the Palo Alto, Cal., community players.

Charles Barsotti, assistant manager of the Fire Association and vice-president of the Fire Underwriters Association of the Pacific, is in a San Francisco hospital recovering from the effects of an emergency operation. He is reported doing well.

Rosse Case, well known local agent at Marion, Kan., and former president of the Kansas Association of Insurance Agents, will carry out his annual custom of having a Christmas party in which a number of his friends throughout the country will join. He will go to his office, be joined by some of his friends in Marion and on Christmas day at 11 o'clock central standard time, 10 o'clock mountain time, 9 o'clock Pacific time and 12 o'clock eastern time, all will join in the following toast suggested by the genial Rosse Case:

Then brim the goblet and quaff the toast
To a friend or two—like you,
For glad the man who can always boast
Of a friend or two—like you;
The fairest sight is a friendly face,
The blithest tread is a friendly pace,
And heaven will be a better place
For a friend or two—like YOU.

Those throughout the country who will join Mr. Case and his Marion friends are as follows: W. B. Calhoun, Milwaukee; C. L. Gandy, Birmingham; J. D. Saint, Raleigh, N. C.; Frank T. Priest, Wichita; D. T. Stover, Wichita; G. T. Fisher, Salina, Kan.; Fred Fitzpatrick, Salina, Kan.; Sam F. Woolard, Wichita; Fred W. Koeckert, New York City; J. E. Stowell, Kingsley, Kan.; Walter H. Bennett, New York

City; F. R. Moulton, Kansas City, Mo.; T. S. Ridge, Jr., Kansas City, Mo.; C. K. Foote, Wichita, Kan.; Mark Bridges, Topeka, Kan.; J. V. Kelly, Leavenworth, Kan.; I. D. Goss, Chicago; D. E. Monroe, New York City; J. L. Williams, Tulsa, Okla.; Clyde B. Smith, Lansing, Mich.; Cliff C. Jones, Kansas City, Mo.; Holmes Meade, Topeka; Wade Patton, Hutchinson, Kan.; A. L. Duckwall, Abilene, Kan.; R. L. Budge, St. John, Kan.; Don Ellis, Kansas City, Kan.; C. M. Cartwright, Chicago; L. Mickelson, New York City; Frank E. Case, Seattle; Harry Curran Wilbur, Chicago; Glen Matthews, Kansas City, Mo.; Earl Hartley, Winfield, Kan.; J. D. Gilmore, Independence, Kan.; Maj. C. C. Benson, Fort Riley, Kan.; Sam Morrison, Iowa City, Ia.; C. F. Thomas, Chicago.

Glenn B. Woodward, Bloomington, Ind., former president Indiana Association of Insurance Agents, is the latest appointee as a colonel on the staff of the governor of Kentucky.

W. E. Harrington, who is a past president of the National Association of Insurance Agents, has been named chairman of the Fulton county board of public welfare, a body newly organized for relief of the unemployed and other welfare work in Atlanta, Ga., and environs. Mr. Harrington is a member of the Spratlin, Harrington & Thomas agency.

H. K. ("Smoky the Fire Clown") Rogers, chief engineer fire prevention department, Western Actuarial Bureau, Chicago, has been appointed "Colonel of Kentucky Fire Fighters" by Governor Ruby Laffoon of Kentucky. The commission was in recognition of his work as fire prevention instructor at the regional fire school in Middleboro, Ky.

F. C. Deggendorf, veteran retired state agent for the National of Hartford group in Indiana, died at his home in Warsaw, Ind., last week at the age of 67. He retired from active service just a year ago. He had been connected with the National group for 44 years and had served as Indiana state agent for 27 years. His father was a local agent in Dubuque, Ia., and Mr. Deggendorf went from that city to Chicago to enter the employ of the western department of the National group. He served in various capacities in the office until he was sent into the Indiana field.

Representing the western department of the National at the funeral were D. H. Dresser, assistant western manager, and W. H. Roadifer, controller.

Neare, Gibbs & Co., pioneer Cincinnati agency, will celebrate its 70th anniversary in January. A 20-page booklet, describing the growth of the agency and the part it played in the development of the river business, has been prepared. A special souvenir commemorating the anniversary will be a feature of the celebration.

C. B. Corry, retired state agent of the Liverpool & London & Globe in Ohio, has been seriously ill at his home in Cleveland. He is now reported as slightly improved.

J. O. Dye, former general adjuster in the New York office of the Great American and a former Ohio state agent of that company, is ill with heart trouble at Jacksonville, Fla.

George Young, founder and president of the insurance agency bearing his name in Syracuse, N. Y., died at his home. He had been ill about a month. He was in the insurance business more than 30 years.

Carl Theimer, agency superintendent of the American of Newark in its western department, is on a trip through the south for his health.

Great American Insurance Company New York

INCORPORATED - 1872

W. H. KOOP, President



OLD FASHIONS AND NEW

We can properly be proud of being old fashioned

In the soundness of the company's underwriting policy;
In its friendly consideration for agents and their needs;
In its adherence to every rule of correct practice;
In its unquestioned financial standing,

Yet feel an even greater measure of pride in that

The company's well proven policies have always been
so easily adapted to the requirements of the day.

Today's business needs are not those of a few years ago.

NEW IDEAS must develop; new methods are needed,
but the basic principle of fair dealing with agents and
policyholders can never change.

WESTERN DEPARTMENT

310 South Michigan Avenue :: CHICAGO, ILL.

C. R. STREET, Vice President G. D. GREGORY, Secretary





A HIGHWAY SAFETY PROGRAM...

Presented by **THE ÆTNA**
Casualty & Surety Company

EVERYONE grants that the great majority of automobile accidents are preventable. Statistics further reveal that more accidents are directly attributable to excessive speed than to any other one cause.

With these two facts as a basis, The Ætna Casualty and Surety Company is inaugurating a 365-day-in-the-year safety campaign which it is hoped will be a powerful factor in lessening highway deaths and injuries.

It is reasonable to assume that, since most automobile accidents result from thoughtlessness of one form or another, the answer to the problem is largely one of education. Therefore, the object



of this program is to convince as many persons as possible of the folly of attempting to save seconds at the possible expense of life or limb. To this end various forms of educational material are being used.

The Ætna's highway safety film, "Saving Seconds," has already been shown in many



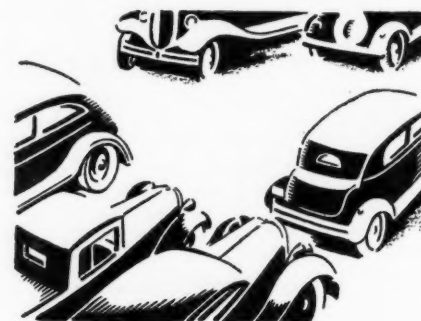
states — north, east, south and west. Produced in both sound and silent versions, it visualizes many of the by-products of hasty, careless driving and includes graphic instructions on how to operate a car safely and well.

Because of the interesting manner of presenting the subject, "Saving Seconds" is in demand for showings before such varied groups as schools, churches, service clubs, Legion posts, commercial vehicle operators, police schools and traffic courts. Many



theatres, too, are showing "Saving Seconds" — either of their own volition or with the sponsorship of the police or traffic authorities.

The film has received the unqualified endorsements of many prominent public officials and has been accepted by the American Association of Motor Vehicle Administrators as an important item in its highway safety campaign for the coming year. A number of prints will be allotted to each state and each Motor



Vehicle Commissioner will arrange for showings in motion picture theatres throughout the state.



There has also been prepared a twenty-page, illustrated booklet. Although it is based upon the motion picture, "Saving Seconds," and was designed primarily for distribution in conjunction with showings of the film, it is also being used as an independent unit to promote highway safety. It includes practical driving suggestions and charts which, if followed, will of themselves tend to materially reduce automobile accidents. The booklet is illustrated with scenes taken from the film and is so pre-



Co-operating with the New York City Police Department the Aetna prepared two special traffic posters as a means of reminding pedestrians to cross at intersections and with the green light.

pared as to invite thorough and thoughtful reading.

Still another phase of Aetna's present highway safety campaign is directed at pedestrians. There is a three-color poster picturing a boy and a girl dashing across a street just ahead of an approaching car. The heading "STOP SAVING SECONDS — LOSING LIVES" conveys a warning not only to school children but to all who are inclined to take similar chances. The poster is designed primarily for distribution in connection with showings



of the film "Saving Seconds" before groups of school children.

There is also provided for school use an introductory synopsis for the teacher to read to the class prior to showing the film and a check test to be given after the children have viewed the picture. This material was specially prepared by Dr. Herbert J. Stack of the National Bureau of Casualty and Surety Underwriters.

There is a two-fold motive actuating the Aetna's highway safety campaign. In the first place, anything that will tend to diminish the frightful highway slaughter is eminently worth-



while. Secondly, only by reducing the frequency and severity of automobile accidents can automobile insurance rates be reduced — a condition desired alike by companies, agents and policyholders.

As a by-product of this project, the good-will gained by Aetna agents who sponsor the "SAVING SECONDS" campaign in their local communities is an asset of great value. In so far as possible, distribution of this material is being made through Aetna representatives, that they may benefit by the contacts established.

Further information will gladly be furnished upon request to The Aetna Casualty and Surety Company of Hartford, Connecticut.



FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Legislative Outlook Brighter

Ohio Situation Considered More Favorable to Insurance Than for Several Years Past

COLUMBUS, O., Dec. 19.—The new Ohio legislature will be asked to enact legislation of much importance to insurance. Insurance men are very hopeful for enactment of measures which they have long favored, as Governor-elect Davey is reported to be the most insurance-minded executive the state has had in many years. Further, a bona fide insurance man, R. L. Bowen of Cleveland, has been named superintendent of insurance and it is expected that he will wield considerable influence in insurance legislation.

Both fire and life insurance men will demand that a larger percentage of the fees collected from insurance companies and agents be set aside for the insurance department. The department, it is declared, has been seriously hampered in the last few years by insufficient funds.

May Seek Qualification Act

It is quite likely that fire insurance men will seek the enactment of an agents' qualification law and life men may ask that something be done to eliminate the part-time agent. The Ohio chamber of commerce has approved a plan to divide the insurance department into three divisions, life, fire and casualty, with a competent deputy in charge of each, all under the general direction of the superintendent. This has been urged many times by insurance men.

The Ohio chamber also indorsed a motorists' responsibility law. Senator Mosier of Cleveland, new lieutenant-governor, introduced such a measure in the senate last year and it may be re-introduced.

There will be only two insurance men in the new Ohio senate, Paul P. Yoder of Dayton and W. H. Herner of Norwalk. In the house there will be a number, including C. M. Krueger, Berlin Heights; J. H. Assman, Cincinnati; S. A. Anderson, Newark; L. F. Heller, Youngstown; J. J. Gilbert, Farmersville; G. M. Arnold, New Paris, and W. H. Knepper, Edon.

Disease Striking Live Stock

Mysterious Malady in the Corn Belt of Illinois Is Having Serious Effect

Companies writing live stock insurance have been mystified about a disease which has been killing horses and cows in central Illinois. The veterinarians have not been able to diagnose the malady and refer to it as corn stalk disease. The last serious outbreak appeared in 1914 and this year it has reached the proportions of an epidemic. The theory is that the conditions this year were favorable for the development in corn or stalks of some peculiar mold or bacteria, which eaten by animals tends to destroy their brain tissues. It is stated that the drought has had some particular effect. In some cases the animal becomes mad, racing back and forth across the pasture, kicking down stable walls and is very dangerous during this acute stage. Other animals become stupid and sleepy. They usually die within six or eight hours after the violent stage.

Agency Amending Complaint

C. P. Beers of Janesville, Wis., Continues His Litigation Over His Trusteed Office

The famous \$150,000 suit of C. P. Beers of Janesville, Wis., against 20 companies he formerly represented as agent is nearer to trial following a ruling of Judge Belden of the county circuit court. A new complaint has been made stating cause of action for fraud and conspiracy. Mr. Beers had a local agency when the companies changed it into a trusteed agency. The companies may now demur to the new complaint if they desire. If no demurrer is interposed then the next step will be for the companies to answer, in which case there will be a trial upon the merits. When the case was carried to the supreme court it was held that the existing complaint at that time did not state facts sufficient to constitute a cause of action for fraud and deceit. When the matter came back to the circuit court, Mr. Beers' complaint was amended to set up a charge of conspiracy to defraud.

The new complaint charges not only false representation made by field men but it also claims that as part of the alleged conspiracy it was agreed that they would present to Mr. Beers a contract or agreement for his signature which he contends was deceitful. Mr. Beers alleges that the field men tried through this means to induce him to surrender possession of his property. It is also charged in the new complaint that the conspiracy involved refusal to recognize or be bound by the agency contract and that having gained possession of the agency, immediately the companies deprived him of any connection with the control over his business.

Oshkosh Is Not Self-Insurer

City Insurance Will Remain in the Hands of the Local Agents There

Mrs. Myrtle B. West, president of the Oshkosh, Wis., Insurance Underwriters Association, states that the city council and city authorities did not take up the question of self-insurance as was stated they would by the "Oshkosh Northwestern." There were 30-day binders issued covering the general form of \$1,569,250 running to the city because it was having an appraisal made for the purpose of using the coinsurance clause. The appraisal was not completed when the insurance expired Dec. 5. It is now practically consummated and policies will be issued in the near future. The insurance committee of the city council is dealing directly with the Oshkosh Insurance Underwriters Association and all commissions on city business are divided equally among its members.

Make Visit to Three Cities

Illinois Association of Insurance Agents Delegation Goes to Alton, Granite City, East St. Louis

Officials from the Illinois Association of Insurance Agents are making a flying trip Thursday of this week. They will be at Alton at a luncheon. Then they will go to Granite City and have a meeting at 3:30 p. m. From there they

will travel to St. Louis for an evening meeting. In the caravan will be Alvin S. Keys of Springfield, president; S. E. Moisant of Kankakee, secretary; R. W. Troxell of Springfield, chairman legislative committee; W. H. Jennings, Jr., Rockford, chairman local board committee; F. M. Chandler, Chicago, president membership committee, and Special Deputy R. T. Nelson of the state insurance department. At Alton and Granite City it is the purpose to organize local boards.

Marsh & McLennan Announce Change in Detroit Office

On Jan. 1 S. S. Glass, for many years one of the important figures in insurance in Detroit, is retiring from active insurance work to devote his time to his other interests. For the past seven years he has been vice-president and manager of Marsh & McLennan, Michigan, which a number of years ago absorbed the S. S. Glass Corporation. Philip G. Clifton, who is now the head of Marsh & McLennan, Indianapolis office, will become the manager and head of their Detroit office. In assuming charge of the Detroit office, Mr. Clifton will retain his position as vice-president and manager of the Indianapolis office and divide his time between Detroit and Indianapolis.

Weihbrecht Made President of Wisconsin Mutual Group

MILWAUKEE, Dec. 19.—Henry Weihbrecht, Badger Mutual Fire, Milwaukee, was elected president of the Wisconsin State Association of Mutual Insurance Companies at the annual meeting here. He succeeds G. A. Jacobs, Citizens Mutual Fire, Janesville, who declined reelection after having served for many years. A. C. Fuge, West Bend Mutual Fire, is vice-president, and T. R. Schmidt, Kewaskum Limited Mutual, reelected secretary-treasurer. Directors are Mr. Jacobs, H. U. Brown, Hardware Dealers Mutual, Stevens Point; T. E. Stickle, Furniture Dealers Mutual, Milwaukee, and E. J. Seiy, Cream City Mutual Fire, Milwaukee.

There was considerable discussion of the fire insurance situation in Wisconsin and a legislative program for the coming session. It was reported that losses the past year were more favorable to companies, and premium income increased.

Directors of the Wisconsin Mutual Insurance Alliance, which will hold its annual meeting in February, also met. The alliance is composed of three mutual groups, the city and town fire, casualty and farm fire mutuals.

R. L. Bowen Is Welcomed By the Cleveland Board

Robert L. Bowen of Cleveland, newly appointed superintendent of insurance of Ohio, was a surprise speaker at the educational luncheon meeting of the Insurance Board of Cleveland. J. C. O'Connor, Jr., editor and manager of the Fire, Casualty & Surety Bulletins, published by THE NATIONAL UNDERWRITER, headed the regular program and conducted a discussion of use and occupancy insurance.

President C. O. Ransom of the Cleveland board, in presenting Mr. Bowen, expressed the appreciation of insurance men that Governor-elect Davey had kept his pledge to appoint a man in the insurance business as superintendent. Mr. Bowen spoke briefly, promising to "inquire before attacking" and assuring the audience that he would exert every effort to learn as much about the fire and casualty business before taking any steps as he now does about life insurance. He also told of some of the trials of an appointee, how he had already been del-

Michigan Association May Create Two New Districts

DETROIT, Dec. 19.—The addition of two new districts in the state is being considered by the governing committee of the Michigan Association of Insurance Agents, which now divides the state into eight sections. The proposal under consideration is to divide the southern district into two sections, the new one to include the southernmost tier of counties along the Indiana and Ohio border, and to divide the Upper Peninsula into two districts because of the rapid development of the association in that portion of the state. One district would include the so-called copper country and the other the iron country.

These proposals will be taken up at the governing committee meeting in Lansing just prior to the Lansing district meeting, which has been set tentatively Jan. 22, with the Lansing Board as host, and will probably be presented to the members at the business session following the committee meeting. A definite decision on the Upper Peninsula split will probably be postponed until the July meeting in that section, so that the members involved will be able to express their opinions on it.

used with applications for jobs and how a number of unknown editors had been phoning him (charges reversed) in an attempt to sell him special editions devoted to his picture and pedigree.

Mr. O'Connor conducted a discussion of use and occupancy, working out an actual problem on a blackboard. The problem had been submitted by an assured and embodied 15 questions as well as the working out of amounts of insurance needed.

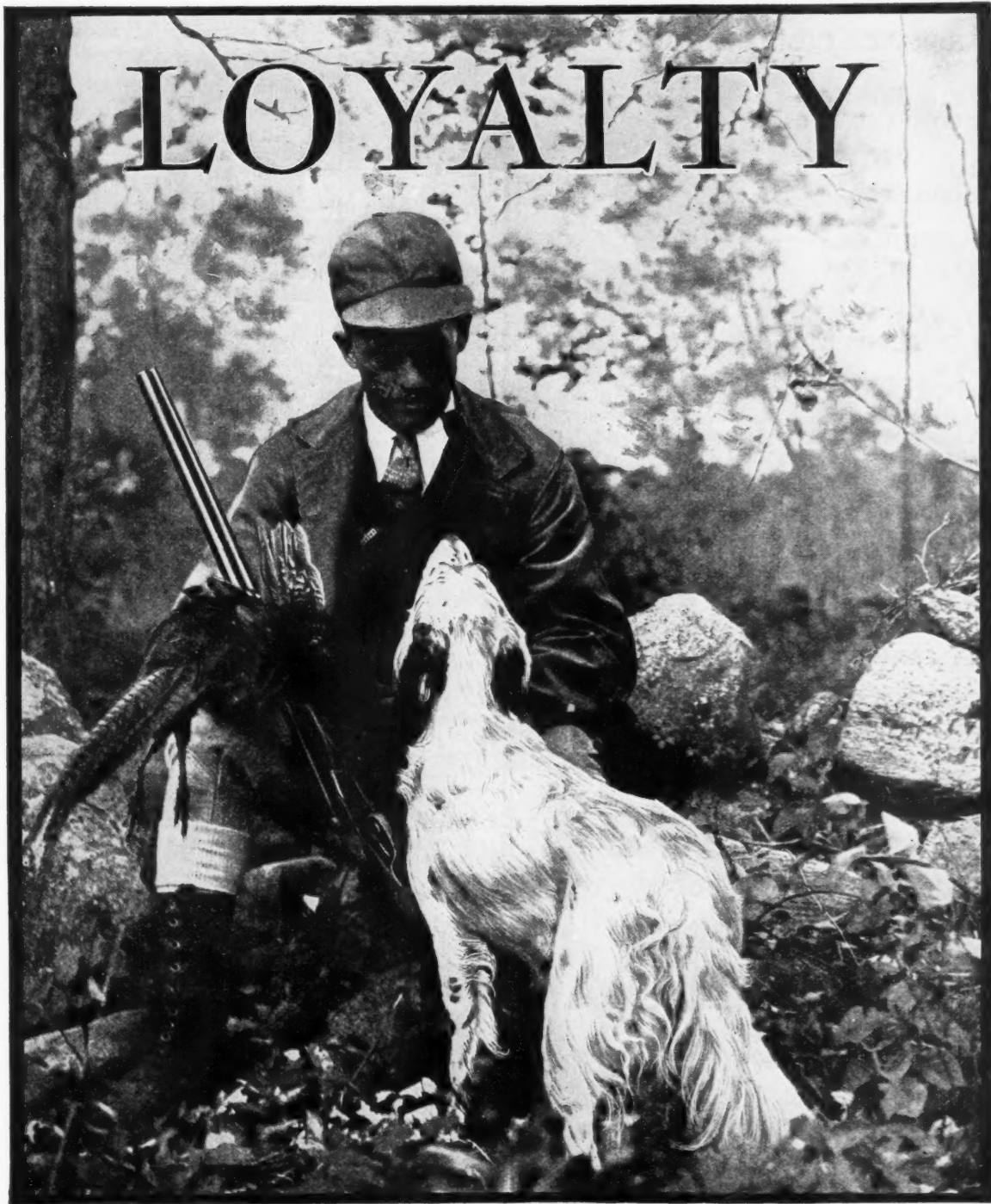
Tribute was paid to the work of the Insurance Society of Cleveland along educational lines. President H. E. Mankin of the society, who is special agent for the Commercial Union, was at the speakers' table, as were the other officers and the four instructors of this year, D. E. Herren of Evarts-Tremaine-Flicker, fire, H. H. Howarth, Cleveland manager of the North America, inland marine, T. J. Tippy, of the W. G. Wilson office, casualty and G. M. DeMarinis, assistant superintendent Fidelity & Casualty, surety.

J. F. Hamilton Denies Use of HOLC Expiration Lists

DETROIT, Dec. 19.—J. F. Hamilton, former Michigan HOLC manager, who has reentered the insurance, real estate and building business, in which he was engaged before he joined the government bureau a year ago, vigorously denies the charge that he has been using the HOLC insurance expiration list in the solicitation of business. The charge was first brought up at the recent Flint regional meeting of the Michigan Association of Insurance Agents.

"When I left the HOLC I left everything, including the insurance expiration list, behind," said Mr. Hamilton. "The HOLC closed some 27,000 loans in the state during my term as Michigan manager. Consequently the expiration list would include this number of cards. My own expiration list includes no more than 3,000 entries, and I have had it for 18 months or two years, some of the entries being still older. Some of these expirations were from my own previous business and others were acquired from friends who had conducted agencies but have dropped out of the business.

"Not more than 40 or 50 of these expirations are on property on which HOLC loans have been made. All of these were either from my own agency



Ewing Galloway

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OF THE
STATE OF PENNSYLVANIA**
PHILADELPHIA, PA.

Semi-Annual Statement, June 30, 1934

Reserve for Unearned Premiums.....	\$1,636,138.14
Reserve for Losses, Taxes, etc.....	310,500.33
*Contingency Reserve	272,624.51
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,203,585.54

TOTAL ASSETS	\$4,422,848.52
SURPLUS TO POLICYHOLDERS....	\$2,203,585.54
Actual Market Value	

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THE OLD "STATE OF PENN"**

*Contingency Reserve represents difference between Value carried in Assets and actual June 30, 1934, Market Quotations on all Bonds and Stocks owned.

or from the others referred to; not a single one was obtained from the HOLC files. Since I resumed my insurance business I have written but one policy on a risk in which the HOLC figured."

Explains Rate Makeup

KENOSHA, WIS., Dec. 19.—G. O. Miskimen, engineer of the Fire Insurance Rating Bureau of Wisconsin, Milwaukee, spoke on "Rate Makeup" before 70 members of the Kenosha Association of Insurance Agents. Factors that enter into rate schedules were explained at length and illustrated by survey sheets used by the bureau, diagrams and stereopticon slides.

George Morzfeld, city electrical inspector, and William Peterson, secretary Kenosha fire department, who were invited guests, have agreed to present a fire hazard demonstration before the association at an early meeting. Officers will be elected at the January meeting.

Hazard in Nebraska Capitol

Recent inspections made by the Lincoln fire department show that a bad fire hazard exists in the basement of Nebraska's new \$10,000,000 capitol. A number of basement rooms are filled with old lumber, discarded office furniture and loosely bound files of newspapers covering many years' collections of the state historical society. The building is fireproof, but the commission in charge was ordered to abate conditions.

Revise Lincoln School Line

LINCOLN, NEB., Dec. 19.—The board of education has ordered a reappraisal of its 13 principal school buildings preparatory to revising its insurance program. The city now carries \$924,800 fire and \$4,424,500 tornado, wind and hail. A third of this insurance expires Jan. 15. Hereafter the insurance will be carried on a five-year instead of a three-year basis.

Loyalty Campaign in Hutchinson

HUTCHINSON, KAN., Dec. 19.—At the final meeting of the year, President Reuben Miller of the Hutchinson Board announced plans for a "loyalty campaign," which will undertake to sell the service of member agencies to all assured of the city in an extensive publicity campaign.

Hughes With Burtenshaw & Co.

George A. Hughes has become a member of the firm of Burtenshaw & Co., Detroit, which in the future will be known as Burtenshaw & Hughes. He will continue as president of Willette & Hughes, with which the Burtenshaw agency has been closely associated for some time. Pierre de Rostang of Willette & Hughes will also be with the agency as special representative.

Bowen to Speak in Columbus

COLUMBUS, Dec. 19.—R. L. Bowen of Cleveland who will take office as superintendent of insurance early in the new year, has accepted an invitation to attend a party in Columbus the evening of Jan. 23 under the auspices of the Ohio Association of Insurance Agents and will speak at the conference of local board presidents and secretaries the following day.

Exempt from Ohio Tax

COLUMBUS, O., Dec. 19.—The Ohio legislature has adjourned after enacting a sales tax law. Homer Trantham, executive secretary Insurance Federation of Ohio, has sent out a bulletin stating that insurance will not be affected by the sales tax as this tax applied only to taxable personal property. The debt adjustment or municipal bankruptcy bill was passed, providing for the scaling down of interest rates only. Another measure extended the operation of the Best moratorium law.

Mr. Trantham warns that taxation will be a big issue in the next assembly as the present program is only temporary.

Every effort will be exerted to see that insurance is not further burdened with taxes.

Cantwell Youngstown Head

At the annual meeting of the Youngstown (O.) Association of Insurance Agents these officers were elected: President, John Cantwell; vice-president, E. E. Moreman; executive committee, D. H. Gwillam and M. M. Weibling. G. E. McNab, Jr., is secretary of the association. There were 40 members and guests present, including J. B. Wolam, president of the Trumbull County Board. The speaker was C. O. Ransom of Cleveland, national councillor.

Painter Heads Cats Meow

ST. LOUIS, Dec. 19.—D. H. Painter, St. Louis manager of the St. Paul Fire & Marine, has been elected most wise and powerful meow of the St. Louis court of Cats Meow. Other officers are: Most sagacious recorder, Charles DeWitt; keeper of the catnip, Ben Hobold; outside keeper of the watch, L. Menne-meyer; inside keeper, Joseph Sanders; directors for three years, Reilly Finnegan and Frank Peterson.

Enters Neare, Gibbs & Co. Firm

B. A. Thompson, marine manager for Neare, Gibbs & Co., Cincinnati, becomes a partner in the agency. He is 28 years old and was born in Chester, Eng. He has been associated with the agency since October, 1931. Mr. Thompson was for some time with S. E. Higgins, Lloyds brokers, London, and was marine loss adjuster for Chubb & Son for several years. He is a nephew of William Stevens, marine manager for Chubb & Son.

Springfield (O.) Agents Elect

The Springfield (O.) Association of Insurance Agents has elected Reese W. Copenhagen president and William H. Schafer secretary.

Kansas November Losses Low

Kansas fire losses in November were the lowest in more than five years except in August, 1933, totalling only \$93,691 from 184 fires. Losses for 11 months are about \$350,000 above the same period of 1933. Farm losses were greatly improved in November, only 17 fires being reported for a total of \$25,020.

Wichita Insurors' Christmas Party

The annual Christmas party of the Wichita Insurors is being held Thursday. Office employees are to be guests at the luncheon.

Jackson Addresses Mutual Agents

Walter Jackson, advertising manager Grain Dealers National Mutual, Indianapolis, in an address to the Columbus (O.) Association of Mutual Insurance Agents, explained how insurance salesmen may tie up their work with advertising.

T. M. Fergus With Patton

T. M. Fergus has joined the Wade Patton & Co. agency, Hutchinson, Kan., as a producer. He is a graduate of the Northwestern University fire insurance course and has had nearly ten years company and agency experience in several midwest states. He was formerly special agent of the Fidelity & Guaranty Fire in Wisconsin.

Middle West Notes

The Citizens Insurance Agency of Columbus has been incorporated by M. E. Moore, Ben Allen and T. H. Moore, with offices in the Buckeye building.

R. A. Stulp, for many years in the insurance business at Eau Claire, Wis., has joined Albert Hopfe as a partner in his agency at Austin, Minn.

The J. B. VanNada Agency, Petersburg, Ind., owned by Fred VanNada and his mother, has been sold to Wendall Kinman and Mrs. Edna Wilhite, who have been employees of the agency a number of years.

Southern States Local News

Gandy Raps I. U. B. Activities

**Alabama Agents' Regional Meeting Calls
for Probe of Operations and Report
at Next State Convention**

BIRMINGHAM, ALA., Dec. 19.—The Interstate Underwriters Board, originally designed to cover fluctuating stocks and multiple location risks, "has gone far afield," at the expense of local agents, said C. L. Gandy, former president National Association of Insurance Agents, in addressing a regional meeting of the Alabama association here. A resolution was adopted calling on the executive committee of the state association to make a study of I. U. B. practice and report back at the state convention early in 1935.

Mr. Gandy branded the I. U. B. as "an illegitimate child of the big stock companies" which has played into the hands of the big brokers in New York City and elsewhere. He said it threatens to gobble up all the big premium business which local agents now write and added that agents ought to stop representing companies which cooperate with the I. U. B.

Woodworking rates in the south are already too low but the I. U. B. recently reduced the rates 40 percent over the protest of officials of the Southeastern Underwriters Association, according to Mr. Gandy. This as well as other business should be left to the local agent "to whom it belongs," he contended. Extension of the I. U. B. to include even single risks was recently predicted by a leading insurance executive, added Mr. Gandy.

Appellate Court Upholds Kentucky "Ripper" Bill

FRANKFORT, KY., Dec. 19.—The court of appeals in affirming the Franklin circuit court has thrown control of the state insurance department and the department of fire prevention and rates to Governor Ruby Laffoon by holding the 1934 act of the legislature providing a reorganization of state departments valid. The bill, which was approved in its entirety by the appellate court, takes the insurance department from the hands of the auditor and places it squarely in the hands of the chief executive. The suit was brought by Auditor J. Dan Talbott, attacking the constitutionality of the act on the ground its title was defective and misleading and that it was not designed to effect a reorganization in fact but was intended primarily as a "ripper" aimed at the auditor.

The act, one of the most controversial of this year's legislative session, gives the governor sweeping power to reorganize the state government. It was to have become effective June 30, 1934, but a restraining order granted pending settlement of the litigation has prevented its operation. The restraining order remains in effect 30 more days, or until the court of appeals mandate is handed down. Auditor Talbott is expected to file a petition for rehearing, automatically delaying issuance of the mandate. Mr. Talbott declined to comment on the court's opinion.

Informed of the decision of the court of appeals, Governor Laffoon said he would proceed "at once" to take over the insurance department and department of fire prevention and rates and "reorganize them on a sound basis."

Wants to Examine Rate Data

NEW ORLEANS, Dec. 19.—The Louisiana insurance commission has under advisement the petition of the Brennan Insurance Agency of New Orleans, asking it to change the ruling of

the Louisiana Rating & Fire Prevention Bureau, which prevents local fire insurance agencies from viewing and obtaining information on the rates drawn by the bureau. Mr. Brennan declared that the bureau had issued a letter in May, 1932, advising that, effective that date, local agents would not be allowed to scrutinize the rates. This letter in effect contradicted and nullified a ruling of the commission issued in October, 1931, which stated that any owner or occupant of property, any member company or its authorized resident representative or any resident agent of a member company should be given information regarding existing rates. Since

the issuance of the bureau's letter, Mr. Brennan said, New Orleans agents are being discriminated against.

Darsey Heads Exchange

Frank Darsey was elected president of the Charlotte (N. C.) Insurance Exchange, succeeding Louis Rose, who becomes a member of the executive committee. Other new officers are: Vice-president, R. L. Price; secretary-treasurer, Albert Orr, reelected. These officers with Mr. Rose and Fred Harkey make up the executive committee. This committee was instructed to confer at Greensboro, N. C., some time this week with directors of the North Carolina As-

sociation of Insurance Agents regarding changes considered advisable in the state insurance laws.

Fill Louisville Board Position

LOUISVILLE, Dec. 19.—Miss Bertha Van Overbeke, for 12 years office manager and secretary to the late George Heaton in the Louisville office of the National Surety, has become office secretary of the Louisville Board, filling a vacancy caused by the resignation of Miss Blanche Huber to go with the Equitable Life.

The Louisville Board will hold its annual meeting Jan. 9. C. E. Swope, Jr., will complete his second year as presi-

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and callousness of everyday life are
overcome by the holiday spirit and
the manifold joys of the Christmas
season.

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A Merry Christmas

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dent and a new president will be named. It is understood that W. C. Vaughan, vice-president and chairman of the executive committee, who would be next in line, has refused to consider the presidency.

November Losses in Arkansas

Including a \$60,000 loss on a stove mill, \$35,000 on a saw mill and lumber, and \$25,000 on a cotton gin and baled cotton, November fire losses in Arkansas totaled \$245,775, or approximately \$50,000 more than during the same month last year. There were 23 Arkansas dwellings destroyed last month, entailing losses amounting to \$49,000.

Midyette Names Committees

TALLAHASSEE, FLA., Dec. 19.—President Payne Midyette of the Florida Local Underwriters Association will again head the association's legislative committee. He has been legislative chairman for many years. He has requested local boards and agents to send in legislative suggestions to the committee in time for study before the 1935 session opens in April.

He has also appointed the new committees on rates and forms, headed by Raymond Buller of Miami, and by-laws, with Randolph Brown of Sarasota as chairman.

Sue for U. & O. Insurance

BIRMINGHAM, ALA., Dec. 19.—Suits seeking to collect use and occupancy insurance of \$300,000 from 28

companies have been filed by Loveman, Joseph & Loeb, whose department store burned last March. It was stated that a dispute had arisen between the store and the insurers as to terms of settlement. The department store after a few weeks' interruption resumed business at a temporary location pending the building of a new store, bids for which have been asked.

Louisville Makes Improvement

The National Fire Protection Association engineers visited Louisville and report encouraging improvement in fire defense which heretofore had been unsatisfactory. The fire department drill tower has been rebuilt and a drill school started. A better fire reporting system is in operation. An ordinance to create a fire prevention bureau is before the city council. There is no local fire prevention committee in Louisville. The engineers say that civic organizations appear to be indifferent to the value of this work.

Buys MacPherson Agency

W. A. Reisert of the Reisert Insurance Agency of Louisville purchased MacPherson & Co., a 45-year-old agency, which was sold on account of the death a few weeks ago of Arthur MacPherson.

Southern Notes

P. F. Gould, old-time local agent at Waverly, Tenn., died there after a lingering illness.

H. F. Wosnig, 59, local agent in San Antonio, died at his home there. He had been a resident of San Antonio 40 years.

PACIFIC COAST AND MOUNTAIN

Upholds Mutual Insurance

Where Contingent Liability Is Only One Premium Wyoming Constitution Is Not Violated

The Wyoming supreme court has upheld a lower court decision that the placing of insurance of a school district with a mutual company, where the contingent liability amounts to one additional premium, is not in violation of article 6 of the Wyoming constitution which provides: "Neither the state nor any county, city, township, town, school district, or any other political subdivision shall loan or give its credit or make donations to or in aid of any individual, association or corporation, except for necessary support of the poor, nor subscribe to nor become the owner of the capital stock of any association or corporation."

The case was Burton vs. school district No. 19 in the county of Lincoln et al.

Liability Not Disproportionate

The supreme court held that it would go no further in this case than the facts shown will warrant. It need not go as far as to hold that a school district may insure in a mutual in all cases in which the total and ultimate liability of the district is limited. Whether such district would in fact lend its credit to others, would, in this case, seem to be at least partially a question of fact.

If the ultimate liability is fixed in an amount largely in excess of the premium charged by the ordinary fire insurance company, it may then, perhaps, be said that the district would to that extent lend its credit to others. But that could hardly be said to be true, if, under all the facts, such ultimate liability is not greatly disproportionate to the amount which the district would be compelled to pay as a flat premium to the ordinary fire company.

W. B. Wedell, well-known local agent of Ogden, Utah, died in a hospital there at the age of 72. He was born in Wisconsin and had been in business in Ogden for more than 40 years.

Setback Given to Utah Code

Rescinding of Rate Filing Clause Impairs Value, Some Agents Hold—Would Retain Some Features

SALT LAKE CITY, Dec. 19.—The code of fair practices for the insurance business in Utah has received a setback as the result of the rescinding of the rate filing clause. The clause was eliminated because so many of the agents had become dissatisfied with the rather numerous deviations that were being filed. They felt that if there were not to be uniform filings the clause was of no particular value. The elimination was granted following a hearing held by the Utah state recovery board.

Some agents here say the elimination of this clause was a serious setback to the code. Others feel, however, that the anti-coercion, ethical and qualification features of the code make it still worth while. Unfortunately, through lack of funds, there is no enforcement officer at present other than the insurance commissioner, who has a very small and much overworked staff.

The code expires next June. Efforts are being made to pick out the important features of the code and have them enacted into definite, or independent, laws. The qualification act, on which Commissioner E. A. Smith, Jr., has been working for some time with the cooperation of others, is regarded as of the utmost importance. It is felt that if this bill is enacted into law it will solve many of the problems covered by the code.

The insurance associations of the state are hoping that the legislature at the 1935 session will grant a much larger appropriation for the insurance department.

Hall in Private Practice

SAN FRANCISCO, Dec. 19.—E. T. Hall, general attorney for the Firemen's group on the Pacific Coast for the past five years, is returning to the general practice of law Jan. 1 in association with G. A. Work, his former law part-

ner, with offices in the Mills building here. Mr. Hall has had extensive experience in insurance law, particularly that pertaining to surety and contract bond matters of all varieties. Mr. Hall received his legal degree from Western Reserve University, Cleveland, in 1904. He came to the Pacific Coast after practicing law in Ohio until 1912. In 1917 he came to San Francisco as attorney and associate manager of the Massachusetts Bonding. While continuing to represent the latter company he established his own practice in 1922 which he actively maintained until 1929 when he became associated with the Firemen's. Mr. Hall will continue to act in a legal capacity for the Firemen's under his new arrangements.

Brown Named Director

Arthur M. Brown, Jr., of Edward Brown & Sons, San Francisco general agency, and a member of the San Francisco board of supervisors, has been elected a director of the Golden Gate Bridge & Highway District.

Separate Department Sought

SANTA FE, Dec. 19.—Rumors are current that a bill will be introduced in the coming session of the New Mexico legislature to divorce the insurance department from the corporation commission and establish it as a separate, independent department. Such a move is favored by local agents, as they feel that the commission has little or no practical knowledge of the problems of the insurance business and is not particularly friendly toward agents. Alphonse Aguilar, superintendent of insurance, declared himself in favor of such a change at the annual meeting of the New Mexico Association of Insurance Agents. The corporation commission is composed of three members who supervise public utility and insurance matters.

Engstrom Heads Accountants

SAN FRANCISCO, Dec. 19.—C. E. Engstrom, Crum & Forster, was installed as president of the San Francisco Insurance Accountants Association, succeeding William Muller, California-Commercial Union, at a dinner meeting. Thomas F. Ryan, veteran of the Fireman's Fund group, was special guest.

Fairall Heads Community Chest

DENVER, Dec. 19.—Herbert Fairall, former president of the Colorado Association of Insurance Agents, has been named president of the local Community Chest for 1935. D. J. Main of Standard & Main was elected a director.

Would Increase Utah Tax

SALT LAKE CITY, Dec. 19.—The committee appointed by the legislature last year to make a study of state affairs and make recommendations to the governor, urges in its report just made public, that the state's insurance tax of 1½ percent be increased to 2 percent, and that the premium tax paid by the state fund and self-insurers be increased from 1½ to 4 percent.

Continue National Membership

SAN FRANCISCO, Dec. 19.—The Insurance Brokers Exchange has voted for continued membership in the National Association of Insurance Brokers. Membership has been on a temporary basis, pending outcome of a vote of the general membership, but the status was not changed. E. M. Jones and J. M. MacVean were elected to the arbitration committee.

Washington Rate Action

Companies operating in Washington state held a meeting in San Francisco and adopted modified revisions in rates. The controversy arose over deviations filed by the Northwestern National and some other companies. It was decided to recommend that the present term rule be changed to three years for the

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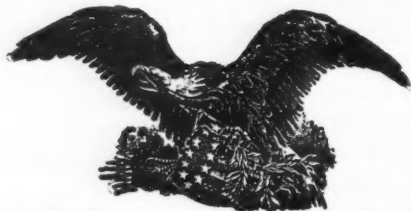
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two annual premiums instead of three years for the two and one-half premiums. A reduction in exposure charges under the general basic schedule was recommended also. The change in term rule will not apply to some classes. The Washington rating bureau this week filed a new schedule reducing the three-year term premium to two times the annual for protected property.

Movie Fire Loss \$300,000

The fire at the Warner Bros.-First National studio plant at Burbank, Cal., resulted in a loss estimated at \$300,000, covered by insurance in 30 board companies. This line was placed through Cosgrove & Co. and adjustment is being handled by the Los Angeles branch of the Fire Companies Adjustment Bureau.

Insurance Post Active

The insurance open golf tournament sponsored by Insurance Post No. 404 of the American Legion in San Francisco had more than 100 insurance golfers participating for trophies donated by various companies and individuals and was proclaimed a great success by Roy M. Coon, commander of the post and chief engineer of the Pacific Board's sprinklered risk department. The post also held a Christmas luncheon this week.

Effect of Silver Price Increase

The advance in price of silver has improved business to a marked degree in the Coeur d'Alene country in northern Idaho. Local agents report greater activity in business and much more insurance is being written.

Los Angeles Accountants Elect

At the annual dinner of the Insurance Accountants Association of Los Angeles, these officers were reelected: Robert Armstrong, Swett & Crawford, president; Henry Hamilton, Indemnity of North America, vice-president, and Miss L. M. Carter, Fidelity & Deposit, secretary.

M. H. Johnson has resigned as staff adjuster for the Fire Companies Adjustment Bureau in San Francisco and has opened an independent adjusting office in the Adam Grant building.

**Eastern States
Activities****Keeley to Retire on Jan. 1**

U. S. Manager Warner of Royal-Liverpool Group Appoints Reeves Successor in Newark Branch

James T. Keeley, manager of the Newark branch office of the Royal group will retire Jan. 1 after more than 45 years' continuous service with the organization.

To succeed him, United States Manager Harold Warner announces appointment of M. S. Reeves, well-known executive of the group in the New York office. Mr. Reeves has spent his entire career in insurance. He joined the Royal-Liverpool groups in 1921 as a special agent, and in 1924 was assigned to the New York office where he has held various executive positions.

**Changes in Eastern Division
of Fire Companies Bureau**

Lowell, Mass., and vicinity will be added to the territory heretofore handled through Haverhill, Mass., and the Haverhill office will be moved to Lawrence in charge of C. F. Helmrich, resident adjuster, effective Jan. 1, the eastern department of the Fire Companies Adjustment Bureau announces. Mr.

Helmrich started in the head office of the Maryland Casualty, after seven years going with the Ocean Accident as adjuster. He joined the Baltimore staff of the General Adjustment Bureau in 1927 and for some time was in charge of the bureau's office at Cumberland, Md. The new Lawrence, Mass., office will continue as a branch of the Boston office under management of C. W. Elwell. W. J. Dalton, adjuster, who for some time has been in charge of the Haverhill office, will be attached to the Boston staff.

**Seek to Recover Financed
Car Business in Alabama**

BIRMINGHAM, ALA., Dec. 19.—Alabama agents have practically lost the insurance on new automobiles to the finance companies and are now considering ways of regaining it. At a meeting of agents here, called by the Alabama Association of Insurance Agents, it was revealed that the finance companies have gobbled up the business and that agents in buying cars themselves have to "get hard" before they are permitted to write policies on their own property.

The agents asked the executive committee of the association to appoint a committee to make a study of automobile insurance in cooperation with other states. An educational campaign to inform automobile buyers that they can designate their own agent to write the insurance was also considered. Most automobile dealers, however, seem to prefer the finance companies and that is where the rub comes. The executive committee was also asked to consider the matter of legislation which would retain this business for the agents, especially where they have policies on old cars which are traded in. Right now the finance companies have the inside track and local agents are being left out in the cold.



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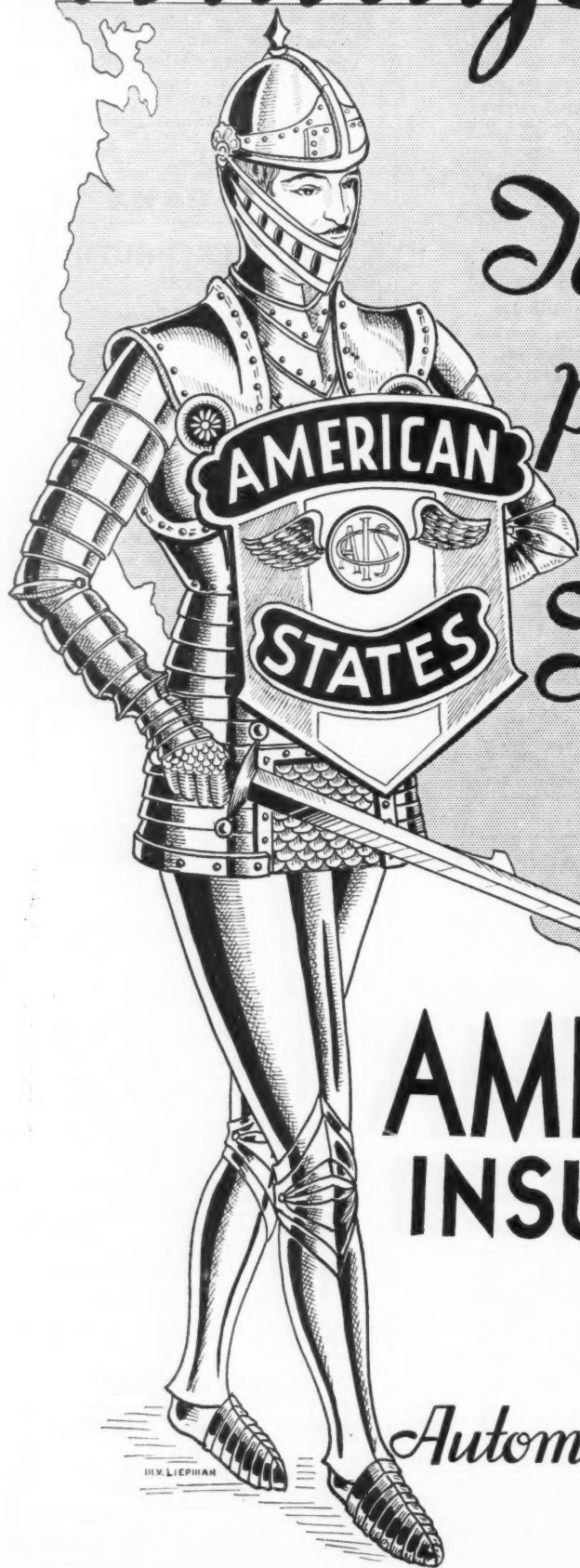
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The National Underwriter

December 20, 1934

CASUALTY AND SURETY SECTION

Page Thirty-one

Await Report on Automobile Rates

Action Needed to Rectify Trend of Once Profitable Liability Line

MANY FACTORS INVOLVED

Opinion Diversified on Methods to Correct Situation—To Report Next Month

NEW YORK, Dec. 19.—It will probably be some time next month before the committee of the National Bureau of Casualty & Surety Underwriters that has been studying the general automobile rate situation will be able to submit its report. The recommendations are being anxiously awaited by casualty managers, all of whom appreciate that some decided action will have to be taken to save this erstwhile profitable division of underwriting from following compensation business into the land of limbo.

Years ago automobile casualty lines were held in such high regard that insurance departments rather winked at slight reserve shortages in other divisions of business, feeling these would be offset by a safety percentage in the automobile line. That condition has changed. With the advent of the high-powered motor car, the growing road congestion, claim-mindedness on the part of the general public stimulated by ambulance chasing lawyers and none too scrupulous medical men, the loss record for public liability insurance has mounted to such degree as to cause underwriters severe headaches. The margin of profit usually counted on in the property damage division has also dwindled, primarily because of the extended coverage granted without added premium and more recently on account of advancing cost of repairs to damaged machines.

Insure Owner or Car?

There is a diversity of viewpoints on remedies for correcting the situation. Some hold that a mistake is made in insuring a car instead of its owner. In the early days indemnity was granted the car owner individually, and through the medium of riders the liability extended to cover designated members of his family or others, for each of whom an additional premium was charged on a graduated scale. Today an omnibus policy is issued, granting coverage for a single premium to the automobile owner or any person driving the car with his permission, regardless of the skill or general character of such person. Several claims recently had as a result of non-owner driving seemingly afford justification for the multiple hazard theory. There are others who contend that the percentage of such additional claims is so slight as to have little effect upon the general experience, while the

Company Heads Hope to Save Compensation Line

NEW YORK, Dec. 19.—Despite the sorry experience on workmen's compensation in recent years, especially in the depression period, some casualty company officials believe there is still much in the business worth salvaging and detect a steadily widening silver lining.

Encouraging conditions pointed out include approval given by the National Convention of Insurance Commissioners of the new rating formula of the National Council on Compensation Insurance, added employment in industry with increased payrolls, and development of various socialization programs of the federal and certain state governments. The latter, it is anticipated, will relieve compensation carriers of much malingering that has occurred in the last three years, and it is hoped will induce juries to determine damage verdicts more strictly upon merit and without undue consideration of the financial plight of claimants.

complications that might arise in determining liability, if a more restricted form of protection were granted, are numerous to say nothing of the illwill that would be engendered. A present day feature of automobile insurance that makes for greater loss claims is the guest hazard. Years ago the number of claims of this nature to the total number filed was a scant 4 percent, while today it is reputed to exceed 18 percent.

Laws Correct Evils

Recognizing the abuse to which the guest hazard liability is subjected several states have enacted legislation requiring claimants to prove recklessness on the part of a driver before a charge for guest damages will be entertained. The situation would be bettered if such statutes were adopted in all states. A further influence in reducing serious automobile accidents would be an extension to all states of the financial responsibility requirements and the imposition by courts of severe penalties upon drivers whose carelessness upon the road is so frequent a cause of accidents. How the claim advocating and prosecuting lawyer may be curtailed is a problem underwriters have not yet been able to solve but it is recognized as one of the most glaring evils of the business. It may be that state and local bar associations will take a hand in the matter, and through the adoption and enforcement of a code of ethics will drive from the profession, or so curtail the operations of the shyster, that his activities will be far less expensive than now.

Frequent Rating Necessary

Though agents and assureds complain of the frequent rate changes in automobile insurance, such procedure is absolutely necessary in the business. It is in the interest of both insurers and insured for the companies must secure a proper premium if the indemnity they furnish is to be worth while when called upon for claim settlements. The loss experience varies from year to year, un-

It is undeniably true that company officials are displaying a more militant attitude than for some time, feeling that hitherto they have been entirely too complacent in accepting conditions and that a vigorous counter must be made when the rights of the carriers are too sharply infringed by governmental or other interests.

The dark spot in the picture is uncertainty as to the extent of liability assumed for occupational disease claims. The famous Burns decision in Illinois has greatly agitated the fraternity and will continue to do so until its limitations are more clearly defined. Some anxiety is felt as to whether the incoming New York legislature will favor a monopolistic compensation measure. Governor Lehman in one of his pre-election speeches favored such a law, and labor interests have been hammering away for its enactment for the past five years.

fortunately upward in most territories. The only recourse left underwriters apparently, if they are to continue to write automobile public liability and property damage insurance, is rate regulation. Despite appreciation by company chiefs that every advance in rates is followed to a degree by an adverse risk selection, no other means of dealing with the situation has yet been devised and none appears in the offing.

The entire situation is one that deeply concerns company officials, whether association members or not, and hence the eagerness with which the report and recommendations of the committee studying the problem are being awaited.

Dismiss Car & General Charges

RICHMOND, Dec. 19.—Charges that the Car & General was writing automobile business in Virginia below prescribed rates have been dismissed by the corporation commission. The charges were brought by the Virginia department on complaint of a mutual.

Missouri Agent Suggests New Plan for Companies

E. W. Landgraff, local agent at Cape Girardeau, Mo., makes the suggestion that as a business proposition insurance companies could have business reply envelopes printed and allow their agents to use them, charging up the returns to the companies but limiting an agency, for example, to 25 per month. Mr. Landgraff feels that agents today hesitate to do much direct mail advertising on account of the extra expense. He feels that this business reply envelope plan would be one that would bring in sufficient extra offering to much more than pay for the expense.

Raise Rate Scale in New York City

National Bureau Boosts Level on Apartments and Tenements Public Liability

BEHA IN EXPLANATION

Continuance of Unfavorable Loss Trend Due to Claim-consciousness, Real Estate Conditions Cited

NEW YORK, Dec. 19.—Forced by the continued increase in losses, rates for public liability on apartments, tenements, boarding and rooming houses in various boroughs of Greater New York were advanced as of Dec. 17. Approval of the revision was given by the New York department to carriers, whether subscribers to the service of the National Bureau of Casualty & Surety Underwriters or the rating organization of the mutual casualty companies. At the same time tariffs in the borough of Richmond were reduced.

Reciting the conditions that impelled the changes, J. A. Beha, general manager of the National Bureau, said:

Beha Explains Changes

"Rates for this class of business were last revised a year ago, and the changes now effective reflect a continuation of the unfavorable trend in the loss costs recognized at that time. Elements contributing to this trend are the increased claim-mindedness of the public, the over-liberality of jurors, and the fact that depressed real estate and rent values have led some owners to neglect keeping properties in good repair and, therefore, in a relatively unsafe condition.

"The developed experience indicates that the trend of loss costs has not been uniform in all five boroughs: It has developed adversely only in Manhattan, Bronx and Brooklyn, with the result that the level of rates for these three boroughs will be increased.

"In the borough of Queens, no changes have been made in the rates in force the past year. In the borough of Richmond, the experience has been favorable and a general reduction in rates has been made.

Borough Results Segregated

"It is emphasized that the rate increases made are not uniform in Manhattan, Bronx and Brooklyn, but vary according to the actual experience for each borough. This year, in order to establish rates in closer conformity to actual loss cost conditions in the several sections of the city, the experience for each borough has been separately reviewed and separate rate levels have been established on each borough's own experience.

"A comparison of the experience of the insurance companies in Manhattan, (CONTINUED ON LAST PAGE)

Continental Casualty Men Retire From Active Work

BOTH LONG IN THE SERVICE

Vice-president F. H. Perdew and Agency Superintendent John V. Rathbone Held in High Esteem

Two head office Continental Casualty veterans are retiring voluntarily from active service—Vice-president F. H. Perdew and John V. Rathbone, superintendent of agents of the commercial accident and health department.

Mr. Perdew is head of the disability division, meaning that department that has charge of accident and health not written on the commercial basis. He is returning to New York City, which for a long time was his home. He started with the Continental Casualty in 1901 as a clerk in the home office. Shortly afterward he was shifted to New York City. When the New York City branch was closed in 1906 and arrangements made to handle eastern business in Chicago, Mr. Perdew was offered a position at the head office but he did not desire to leave New York. Therefore he was granted an agency in New York City for the disability division. He was successful in producing business and was appointed city manager.

A new eastern branch was established in New York City in 1911 under Mr. Perdew's guidance. When the Continental Casualty adopted the general agency plan of operation in 1913, all branch offices were closed. He then became eastern supervisor, remaining in New York City as his headquarters. In 1927 he was elected a vice-president and this necessitated his return to the head office in Chicago. He is an outstanding authority in his line.

Mr. Rathbone has been superintendent of agents of the commercial accident and health department of the Continental Casualty since Jan. 1, 1929. Before being an official of the company he had been a general agent of the intermediate accident and health department for more than 13 years. Before going with the Continental Casualty he was associated with the North American Accident of Chicago. He has been in the accident and health business for 31 years and knows the business by heart.

Holds Surplus Funds Can Be Invested in Foreign Bonds

BALTIMORE, Dec. 19.—Insurance companies doing business in Maryland may invest surplus funds in bonds of foreign governments and municipalities, subject to limitations of the state insurance laws, according to an opinion of the attorney-general's office. The opinion was rendered on request of Commissioner W. C. Walsh, in the case of the Fidelity & Deposit, which sought to invest in bonds of the Dominion of Canada and the Commonwealth of Australia.

"Although investments in foreign bonds are not permissible with special reserves and capital funds," said W. L. Henderson, assistant attorney-general "I find nothing in the law to forbid the investment of other funds of the company, such as surplus or net profits of the company, over and above its capital stock, reserves and statutory deposit, in foreign bonds; nor has the insurance department any supervisory power over such investment, other than such as may be incidental to the valuation of its securities for the purpose of determining financial standing. Under these circumstances, it is my opinion that the company may lawfully make, or retain in its portfolio, investments in foreign bonds, subject to the limitations above mentioned."

Thirty-Five Years



ALFRED M. BEST

Thursday of last week marked the 35th anniversary of the founding of the Alfred M. Best Co. of New York City. In appreciation of the event and to evidence the esteem in which Mr. Best is held by employees of the organization, they presented him a handsome white gold wrist watch, suitably inscribed.

Surplus Item Strengthened

President Nelson of the New Amsterdam Casualty Explains Change in Capital Structure

BALTIMORE, Dec. 19.—The New Amsterdam Casualty announces a change in its capital structure. It is calling a special meeting of stockholders to transfer \$1,500,000 from capital account of \$2,500,000 to surplus and reserves by reducing the par value of the 500,000 shares to \$2 a share, making the capital \$1,000,000. President J. A. Nelson, in speaking of the change, said:

"The laws of New York provide that an insurance company may not invest more than one-half of its 'surplus funds' in stocks of other insurance companies. Our investment of approximate book value of \$1,500,000 in stock of the United States Casualty makes it necessary for us to increase our surplus. We shall also set up a reserve for depreciation from our book value of \$6,584,000 of our New York office building. Our income on book value is about 3 percent net, which is very good in view of the fact that a large part of the building was not ready for occupancy until 1932, since which time opportunities for acquiring tenants have not been favorable. Inquiries for office space in New York are increasing, and the present prospects are for a better income from the property in 1935 than we have had in 1934.

"The business of both the New Amsterdam Casualty and of the United States Casualty has been quite satisfactory during 1934, the incurred losses having been a materially lower percentage than during the previous few years. While it is not practicable to definitely state the year's results, it appears at this time that both companies will make a profit by their 1934 operations. We had hoped to pay a dividend during the autumn, but we now feel that consideration of dividends should be deferred until a later date. The current market price of our stock does not represent what we believe to be its 'good-will' value, without taking into account our capital, surplus and reserves. Officers and employees have been increasing their investment in the company's stock. During the depression we suffered considerably less than many other com-

Surety Association Seeks Reinsurance Form Reaction

ACTION ON SECURITIES BOND

California to Have Mandatory Return Contract—Optional in Other States—Reelect Executive Committee

NEW YORK, Dec. 19.—As chairman of the committee on revision of the reinsurance agreement of the Surety Association of America, E. C. Lunt, vice-president of the Great American Indemnity, in keeping with a resolution adopted at the annual gathering last week, will send a copy of the proposed changes to each member company, asking criticism and suggestions. After receiving the new data further consideration of the agreement will be given jointly by the special committee, the executive committee and the drafting committee, their conclusions to be final. The need for a thorough revision of the agreement has long been recognized, the matter being regarded as one of primary concern in the business.

Executive Committee Reelected

The only other action taken by the association was the adoption of a mandatory form of return of securities bond for California and a further bond, use of which is optional for all other states. The California law governing return of securities is so clearly defined as to justify use of a standard form of bond, a condition that does not apply elsewhere.

All retiring members of the executive committee of the organization, Aetna Casualty & Surety, American Surety, Fidelity & Deposit and the United States Casualty, were reelected for an additional term of two years. R. R. Gilkey, who has served as secretary of the association since 1912, was reelected. Prior to joining the Surety Association Mr. Gilkey was manager and attorney in Chicago for the American Surety.

Can't Write Six-Months Term

RICHMOND, Dec. 19.—Denying an application of the Harleysville Mutual Casualty, Harleysville, Pa., for authority to write a six-months policy for automobile liability and property damage coverage, the Virginia corporation commission held that the plan should not be allowed unless and until there is an alteration in the rate rule and manual applicable to all of the companies doing this type of business. It was proposed that a six-months term be allowed at 50 percent of the annual rate. Under the present manual, a higher rate must be charged for short-term contracts than for annual policies.

Bicycle Accidents Increase

The increase of popularity of bicycles in Chicago has had its effect on the accident toll. Eleven-month figures showed that there were 162 bicycles involved in automobile accidents in 1933 and 307 in 1934, an increase of 145 or over 90 percent. Fatalities increased from 5 in 1933 to 9. Claim men, however, report little trouble from this source.

Kingman with Wilson Agency

C. B. Kingman, for the past three and a half years manager of the Michigan service office of the Employers group at Grand Rapids and prior to that with the Royal Indemnity in Chicago under J. E. Murphy, has joined the James M. Wilson agency at Kalamazoo, Mich.

panies transacting lines of business similar to ours. Our principal losses grew out of the banking panic, which is now a thing of the past. The results attained during 1934 show every evidence that our business is again running normally. The outlook for the immediate future is a continuance of the favorable results of 1934."

\$590,000 Security Loss in New York Is Well Covered

BLANKET BOND IS ON RISK

Royal Indemnity Carries Cover on United States Trust Company, Well Reinsured

NEW YORK, Dec. 19.—The United States Trust Company, 45 Wall street, which lost \$590,000 in short term United States Treasury notes in an unexplained manner Dec. 13, had \$1,000,000 blanket bond coverage with the Royal Indemnity, the Globe Indemnity and Columbia Casualty being coinsurers. Reinsurance all over town spreads this loss among other offices.

The notes, in the form of five \$100,000 certificates and nine \$10,000 certificates, were delivered at the securities window of the bank and shortly afterwards were missed. No trace of them could be found or any clew to their disappearance. Last Saturday the bank bought duplicate securities at the market price of \$102.50, a premium of about \$10,000, making the insurance loss about an even \$600,000, the amount understood to have been paid last Monday.

Notes Difficult to Market

While these notes were negotiable, the size of the five \$100,000 notes coupled with their short term maturity (1938) character, would make them more than usually difficult to dispose of. It is believed that negotiations with the Royal Indemnity for their return may be or already have been begun, as is often the case. A claim officer of one of the companies interested in this loss says: "They generally begin with offers to accept 75 percent of the face value and wind up with an acceptance of anything they can get." Negotiations are always begun by third parties who disclaim any knowledge whatever of the principals who stole the securities.

Department of Justice agents, local police and special officers are endeavoring to locate the treasury notes. Two of the \$10,000 certificates have been cashed. The federal government is loath to issue duplicates unless destruction of the original bonds or certificates can be clearly proved.

There have been several \$500,000 bond robberies in recent years, the stolen certificates being largely recovered.

Find Own Sales Fleet Poor

One of the independent casualty companies which maintains a fleet of automobiles for its salesmen finds that this fleet is not profitable and uses this experience in justifying the occupational automobile rating. Even though the drivers become more expert, their exposure to driving hazards is increased, it is held.

A. & H. Review Is Fine Xmas Gift to Producers

Many general agents and managers like to remember at Christmas their better agents with some appropriate gift. A number have already sent in subscriptions to The Accident & Health Review. The Review is helpful to any man who is now soliciting accident and health insurance and to the man who wants to start in the business it will give many valuable ideas and suggestions. Any Christmas subscriptions will start with the December issue and the Review will send a special Christmas letter to the subscribers. The cost of the Review is only \$2 for one year. Send in those Christmas orders now. Use the card enclosed with this issue.

Public Official Bond Is Executed by London Lloyds

BELIEVED TO BE FIRST CASE

Binder Is Accepted by Board of Supervisors of McLean County, Illinois—Surety People Agitated

What is generally believed to be the first public official bond ever to have been executed in this country by London Lloyds has been issued in McLean county, Ill., covering the new county treasurer, Charles E. Dooley.

The board of supervisors of that county authorized purchase of the bond from Lloyds after considerable discussion. The bond was issued in the form of a 30-day binder, subject to cancellation or replacement by a regular bond by the Underwriters at London. The Capen agency of Bloomington, Ill., submitted the bid in behalf of London Lloyds. The premium was \$1,125. The next highest bid was that of the Aetna Casualty which amounted to \$1,250.

Surety people in Illinois are much interested and agitated because of this situation. They are undertaking to get a decision from the Illinois supreme court as to the constitutionality of new legislation in the state exempting sureties on bonds of county treasurers, from depository liability. Therefore, surety companies have been undecided about issuing bonds for the new county treasurers, who took office Dec. 3. In the midst of the indecision, London Lloyds entered the arena and Scarborough & Co. of Chicago circularized the various county authorities in behalf of London Lloyds' bonds.

The Illinois law provides that bonds of county treasurers shall be executed by freeholders who are citizens of Illinois or by surety companies that are qualified in the state. Illinois is the only state in which London Lloyds are licensed. The question is whether they can be considered as a surety company, under the law. Whether action will be started to attempt to invalidate the Lloyds bond in McLean county has not been decided.

SEE MORE LIBERAL ATTITUDE

NEW YORK, Dec. 19.—Surety companies are displaying a more liberal attitude toward public official bonds in Illinois, predicated acceptance of risks largely on the financial strength of depository banks and the amount of public funds therein and further upon the character and financial responsibility of the public official. They are still waiting the decision in the case testing the constitutionality of the state law designating depositories and relieving public officials from liability for loss where such banks are selected.

Would Abolish Schedule Rating

RICHMOND, Dec. 19.—A hearing on petition of companies writing workmen's compensation in Virginia for authority to abolish the schedule rating plan and substitute therefor a straight experience rating plan applicable to all risks was held before the corporation commission this week. E. E. Cadmus, manager of the workmen's compensation inspection rating bureau of Virginia, said the schedule plan has outlived its usefulness. The commission reserved its decision.

Monohan Publicity Head

R. H. Monohan is now functioning as manager of the publicity division of the National Bureau of Casualty & Surety Underwriters.

Fulton Elected President

W. M. Fulton, a manufacturer of Knoxville, has been elected president of the Tennessee Mutual Automobile to succeed C. E. Haston of McMinnville, Tenn., who has resigned.

Chicago Survey Bureau Plan Interests Companies

Casualty companies are much interested in the project to start a plate glass survey bureau in Chicago similar to the one which has been operated in New York for a number of years, T. F. P. Cameron, superintendent plate glass department United States Fidelity & Guaranty, Baltimore, stated in a talk on plate glass insurance in the second of a series of lectures in the post-graduate survey casualty course conducted by the western branch of that company in Chicago.

With a survey bureau the companies are not dependent on glaziers for information about losses, whereas at present they are placed entirely in the hands of the glaziers who conduct the survey, he said.

Replacement Cost to Rise

Mr. Cameron mentioned the increase in replacement costs to go in effect in Chicago Dec. 17 due to a change in discounts. This will make replacements of 120 square feet or less cost 21½ percent more and the larger plates 25 percent. Plate glass replacement cost recently was increased in New York, he said.

Upward revision in replacement cost, he stated, usually is made by large jumps, whereas any reduction takes place gradually. Casualty companies in rate filing states are unable to raise rates immediately to cover such increased cost, as it is necessary to show that the old rates are inadequate and this can be done only by exhibiting experience.

He said the 50/50 companies have not been making money. Companies' experience generally is that one loss will occur for every four policies outstanding. He said if all the companies would write on the same basis the 50/50 rates would be higher.

Superintendent Cameron said the idea of plate glass insurance is purely replacement. This fact eliminates moral hazard of the owner. He discussed zoning which he said does not make for automatic underwriting as competent underwriters do not assume that the rates filed for the various zones are adequate for an individual risk. The zone rate is used as a basis, the underwriter using his judgment as well as his right of acceptance or rejection.

Lawlar Gives Advice

J. A. Lawlar, secretary Cook County Plate Glass Insurance Bureau, advised agents to find out from clients the particulars of the glass on which they desire quotations. He said an agent may quote on all the glass at a location, whereas another may quote only on the lower glass and thus be able to show a lesser rate and get the risk.

W. E. Small Dies on Coast

W. E. Small, who was at one time president of the Georgia Casualty, died in California. The body was cremated and committal services were held in Macon, Ga.

He served as president of the Georgia Casualty for many years until 1927. He started in the wholesale grocery business in Columbus, Ga. He became interested in the Georgia Casualty together with other Georgia business men and invested in the venture. He became connected with the company and later was elected president.

Shakeup Is Predicted

OKLAHOMA CITY, Dec. 19.—A shakeup in Oklahoma insurance board personnel the first of the year is being predicted. Some of the old timers are reported to be uneasy about their positions. Commissioner Jess G. Read is a member of the state insurance board by virtue of being insurance commissioner but the other board members are appointed by the governor.

Effective Date for Texas Standard Policies Deferred

WILL PROBABLY BE MAY 1

Truck, Bus Operators Complain of Lack of Opportunity to Study Forms—Another Hearing Scheduled

As a result of the hearing before the Texas Board of Insurance Commissioners, the effective date for the standard automobile policy in Texas will be postponed from Feb. 1 probably to May 1. Another hearing will be held Dec. 24.

At the hearing last week, very few objections or criticisms were voiced by insurance people, but representatives of truck and bus owners objected that they had not had an opportunity to study the proposed policies. Therefore, the Dec. 24 hearing will be chiefly for the benefit of these interests.

Among the insurance people on hand were A. E. Spottke of the National Bureau of Casualty & Surety Underwriters; A. B. Kelly, American Mutual Alliance; R. C. Mead of the law firm of Ekern & Meyers of Chicago, representing the State Farm Mutual of Bloomington, Ill.; William D. Hall, actuary of the National Automobile Underwriters Association, and Orville Davies of the General Exchange, as well as representatives of some of the Texas companies. All three of the Texas insurance commissioners—Pope, casualty; Daniel, life, and Mauk, fire—were on hand.

Massachusetts Commissioner Asks Compulsory Law Change

BOSTON, Dec. 19.—Massachusetts' compulsory automobile liability insurance and accident prevention act is apparently due to take the center of the stage as far as insurance legislation is concerned in the 1935 sessions of the legislature. Former Governor A. T. Fuller, in a communication to Governor-elect J. M. Curley, suggests that all automobile claims under \$100 be thrown out by an amendment to the law, as one means of lowering the steadily mounting loss cost and to secure a reduction in liability rates. Mr. Fuller is New England manager for an automobile agency.

Commissioner Brown in his recommendations for new legislation proposes an amendment to the compulsory law which would prevent "guest suits" and bar guests from recovering under compulsory insurance where negligence of driver contributed to the accident. He blames the "guest suits" for the increased cost of compulsory insurance.

Prepares Other Changes

The commissioner also would amend the compulsory law to grant courts of the state jurisdiction to reach and apply deposits made in lieu of insurance or bonds to satisfy judgments under the law. It is also recommended that the law on cancellation of policy, now taking 15 days, be amended to dispense with the 15 days' notice in cases where the assured wishes to substitute insurance in another company for the existing coverage.

Trouble has arisen over cases where the car owner and insured under compulsory policies have been different persons. The law states registration must be in the name of owner, but when it has been otherwise courts have held the registrant to be the owner. The statute should be amended to harmonize with the decisions, says the commissioner. He also presents a number of minor recommendations concerning signing of certificates by authorized employees of "companies" as well as agents, etc.

A South Boston senator has introduced a bill, which will be given consideration, to compel all companies fi-

Popular Casualty Man Is Stricken by Death

Nelson D. Sterling, vice-president of the National Union Indemnity, died Friday morning at Magee hospital at Pittsburgh following an operation Wednesday due to stomach disorder. Funeral services were held Monday in Pittsburgh. Mr. Sterling was well known in the casualty field. He was born in Brooklyn and entered the business with the old Lloyds Plate Glass. In 1906 he became assistant secretary of the Aetna Indemnity and in 1910 he went to the Fidelity & Casualty, giving his attention particularly to plate glass and burglary insurance. He became an authority in these particular lines. In 1926 he joined the Constitution Indemnity of Philadelphia as vice-president in charge of underwriting. He devised the "Sterling Index to the Automobile Casualty Insurance Rules." He was elected vice-president of the National Union Indemnity in 1931. The directors decided to curtail its operations and Mr. Sterling had been engaged in closing up its affairs.

He was one of the best liked and most popular men in the business and when he was in New York he took part in many of the social activities. He served as president of the Casualty & Surety Club of New York and had been secretary of the Burglary Underwriters Association. He lectured before the New York Insurance Society. Mrs. Sterling died a few years ago and Miss Marjorie Sterling, a daughter, survives.

Hear Suit for \$7,000,000 in Pennsylvania Surety Loss

PITTSBURGH, Dec. 19.—Counsel for directors of the Pennsylvania Surety defendants in a \$7,000,000 suit brought by Acting Commissioner Graff, presented arguments to the common pleas court, favoring a motion to strike off the claim statement filed by Graff as liquidator of the corporation. The suit names H. T. Aufderheide, 15 more directors and the estates of three others as defendants, alleging their recklessness and negligence caused the corporation losses sufficient to wipe out capital and surplus of \$2,000,000, to force the liquidation and dissolution of the company about Jan. 14, 1931, and to create unpaid claims of creditors in excess of \$5,000,000.

Taken Over in 1931

Management of the corporation was taken over by the late Commissioner C. F. Armstrong Jan. 1, 1931. Graff, through J. F. Marion as special deputy, is in possession and is liquidating the assets. Attorney H. F. Stambaugh, for the defendants, argued that under the administrative code, the action should have been brought through the attorney general. He claimed Graff has not given facts on which a defense could be prepared and it is necessary for plaintiff to show alleged failure of directors to attend meetings as the proximate cause of the losses alleged.

Attorney G. K. Wright, plaintiff's counsel, said the case came under the banking code and that an attorney appointed by the attorney-general is a party to the suit in action. The argument was heard by Judges F. P. Patterson, W. H. Dithrich and R. H. Smith, who will give a decision later.

nancing automobile insurance premiums to be licensed by the state banking commissioner.

Commissioner Brown also urges the law relating to non-medical life insurance should be amended to stipulate the amount of capital and surplus required by a life company to write accident and health as well as life insurance. The law, he says, should permit combining of these two forms, providing paid up capital and net cash surplus each are not less than \$300,000.

WORKMEN'S COMPENSATION

Discuss Plans for a Pool Situation Acute in Missouri

Bureau Compensation Companies Take Up Question of Risks That Are Hard to Handle

NEW YORK, Dec. 19.—Serious consideration is being given by bureau compensation company members to the formation of a pool for affording coverage to risks throughout the country which for one reason or another now experience difficulty in obtaining adequate indemnity. It will be recalled that a group of offices organized the Associated Companies for writing coal mining and other hazardous classes of risks a number of years ago. The arrangement proved so costly to the carriers that one after another withdrew from the arrangement until the scheme was finally abandoned. Under the laws of several states employers unable to get coverage direct may appeal to the insurance department or other designated body, which then assigns the risk to some particular company. The distribution is in keeping with the premium volume of an office and the proximity of its main office or a branch office to the risk involved.

All Michigan Carriers Now Members of Rating Bureau

LANSING, MICH., Dec. 19.—All carriers writing workmen's compensation in Michigan are now members of the rating bureau for this state established by the National Council on Compensation Insurance.

The Furniture Mutual of Grand Rapids was the last carrier to fall in line. It is non-competitive, serving a factory association, and for this reason was less under pressure to join the bureau.

The Michigan branch under A. S. Cowlin, former Detroit manager of the National Bureau of Casualty & Surety Underwriters, is now well established and has done much work toward stabilizing rates. Numerous discrepancies in rates have been discovered, although the variations have been no more frequent than could be expected under unregulated conditions anywhere. There have been some instances, however, of rather glaring deviations from the proper rate, resulting in some cases in large losses to the companies and helping to create an unsatisfactory average experience.

Urges Arkansas Compensation Act

LITTLE ROCK, Dec. 19.—In a report to be transmitted to the 1935 legislature, E. I. McKinley, commissioner of labor, will recommend enactment of a workmen's compensation law and revision of the present labor law to relieve workmen of court costs in litigation to collect compensation. Arkansas is one of the four states that does not have a compensation law. A compensation bill was introduced in the Arkansas legislature several years ago, but was defeated.

Meet in Kentucky

FRANKFORT, KY., Dec. 19.—A meeting was held here yesterday before the workmen's compensation board regarding rates. The Kentucky Association of Insurance Agents was represented by its special committee along with a number of members and President G. R. Reed, Columbia. Rates in Kentucky have been so low and experience so poor that many casualty companies are refusing to write business and higher rates appear essential.

The Allstate of Chicago, Sears, Roebuck Co. affiliate has been licensed in Iowa.

Employee Electing Not to Come Under State Compensation Act Is Disturbing Factor

KANSAS CITY, MO., Dec. 19.—Conditions responsible for the high liability rates in western Missouri, and particularly in Jackson county, have helped create a serious workmen's compensation problem, which has become so acute that it no longer is purely an insurance matter but one of public interest. Most of the casualty companies have quit writing compensation in Missouri, and many employers are finding it difficult, if not impossible, to secure coverage.

George Oppenheimer, Oppenheimer Brothers agency, chairman of the compensation committee of the Casualty & Surety Underwriters Association, points out that the question of the employee who elects not to come under the workmen's compensation act is now troubling both employers and insurance companies. Coming under the act can not be made a point of employment, Mr. Oppenheimer said, as the law now stands. The increase in the number of such employes has been due in large measure to lawyers who are interested

in seeing that injury suits become common law cases. It is the activities of this type of lawyer against whom the insurance committee of the chamber of commerce is launching its campaign to clean up conditions responsible for the high liability rates in western Missouri.

Mr. Oppenheimer, in his report to the casualty association, pointed out that the 4.7 percent overall increase in rates being asked for had no opposition at the recent hearing. Employers are interested in whether or not, with the raise in rates, carriers will take business, and have been reassured new rates will be adequate if the increase is granted. It looks as though the rates might be accepted.

Commissions in Joint Meeting

A joint conference of members of the industrial commissions of Virginia, North Carolina and Georgia was held in Winston-Salem, N. C., this week to discuss coordination of the work of the three commissions. It was called by J. Dewey Dorsett of the North Carolina commission, who is president of the International Association of Accident Boards & Commissions.

Compensation Mutual Buys Building

The Limited Mutual Compensation Insurance Company, recently licensed in California, has purchased a ten-story building at 130 Bush street, San Francisco. It intends to make this its home office and will use four of the upper floors.

ACCIDENT AND HEALTH FIELD

Attacks Abuses in "Non-Can"

John A. Dalzell of Pittsburgh Drafts Legislation for Presentation at Pennsylvania Session

PITTSBURGH, Dec. 19.—John A. Dalzell, veteran Pittsburgh agent and former president of the Pennsylvania Association of Insurance Agents, has prepared several bills dealing especially with alleged abuses in connection with the disability clause written by life companies and noncancellable accident and health policies. He says complaints have been received that policyholders have failed to receive the usual premium notice from certain companies. This usually applies, he said, to those whose physical condition had become impaired after the policies were issued. To meet that condition, he has prepared legislation providing that no company shall within one year after default in payment of any premium, instalment or interest declare forfeited or lapsed any policy which by its terms does not permit the company to cancel it, unless a written or printed notice of the premium due date shall have been addressed and mailed to the person insured at least 15 days and not more than 45 days prior to the day when it is payable.

Would Bar Resale Solicitation

The second point he seeks to cover is the practice of adjusters securing the surrender or sale of the policy for a nominal amount. He would make it unlawful for any company to solicit the cancellation or resale of any noncancellable or any life total and permanent disability contract, or to make any representation, whether true or false, to any claimant or policyholder to procure such cancellation or resale.

He also attacked alleged abuses in the use of hospital records or physicians' confidential file to enable a company to deny liability under a policy or pave the way for a resale. He would make it unlawful for any hospital or practicing physician to release confidential information relating to their patients, except to enable a company to consider applications in advance of the policies being issued, or as required under subpoena in judicial proceedings.

Huge Indemnities Were Paid

Former Des Moines Surgeon Collected \$184,000 from Accident Companies During Twenty Years

The death of Dr. Wilton McCarthy, a former Des Moines surgeon, calls to mind the munificent amount that accident companies paid him during his career. In 1911 he suffered an injury due to a hot cinder getting into an eye while he was riding on a train. This caused partial blindness. The Fidelity & Casualty paid him at that time \$85,000 on account of the injury. Then he had another accident later on, whereby he fractured his leg. The third accident came in 1922 when he fell on an icy sidewalk, breaking a glass candy jar. In the fall he cut his right wrist, severing a nerve which deprived the thumb and a finger on his right hand of feeling.

The United States Fidelity & Guaranty had the accident policy at the time of the third accident. The issue arose over total disability. Dr. McCarthy was left-handed. The injury was to his right hand. The company contended that owing to the fact that his left hand was intact, he was not wholly disabled. The case was carried to the United States Supreme Court which decided in favor of the assured. From 1911 to 1931 the accident companies paid out \$184,000 to Dr. McCarthy. Under the U. S. F. & G. policy, he was paid \$250 a week for life for disability to carry on "his occupation." The company had ample reinsurance.

Owing to this case and a few others at that time where the weekly indemnity eventually exceeded the principal sum, companies revised their policies to prevent a contingency of this kind. Under the modern policy, a company now pays a year of disability for "his occupation" and after that only for disability to carry on any occupation.

Dr. McCarthy died at the Hotel Carvel, Annapolis, Md., which he had operated for the last two years.

Dr. Shortell Boston Speaker

At the December meeting of the Boston Life & Accident Claim Association

Dr. Joseph Shortell, well known Boston physician who has charge of the Lumbermen's Mutual Casualty clinic, talked on "Fractures."

Curtis Discusses New Deal, Sees Better Outlook Ahead

DETROIT, Dec. 19.—W. G. Curtis, president National Casualty, speaking to the Accident & Health Managers Club of Detroit, said the "new deal" as a whole has done a great deal of good, but criticized many of its developments, including the repudiation of the gold standard, the apparent trend toward socialism, the increasingly high cost of government and the staggering load of debt that has been saddled on the nation.

"The cheerful side of the picture," he said, "is that people have been putting off the purchase of necessities for so long that they will have to come into the market soon. Forbes says the country has gone \$40,000,000,000 short in its purchases of necessities since 1929. If that is true, we are surely in for an era of prosperity for the insurance business as well as all other lines of endeavor."

He praised the record of insurance through the depression period and declared it is the duty of every field man to believe implicitly in what he sells. "If you don't believe in your company, then change your company," he said.

Beall Heads Los Angeles Accident-Health Managers

LOS ANGELES, Dec. 19.—C. M. Beall, manager Inter-Ocean Casualty, was elected president of the Accident & Health Managers Club of Los Angeles at the annual meeting, with E. F. Hanson of Cass & Johansing as vice-president. The secretary-treasurer is appointed by the directors.

A systematic campaign was launched having as its objective a 100 percent gain in membership. Associate membership was authorized for local executives of other organizations whose activities are indirectly related to accident and health insurance. Arrangements were completed for the accident and health insurance school sponsored by the club in conjunction with the board of education, beginning the first week in January at Belmont high school, Los Angeles. The club has undertaken a vigorous campaign to get all agencies and brokers in the city writing accident and health insurance to enroll students in the school.

Claim Men Hold Round Table

The December meeting of the Chicago Claim Association was in the form of a round table for the purpose of discussing practical questions, the idea being continued from the November meeting. Dr. Josiah J. Moore, Dr. Paul G. Dick and Dr. Andrew McNally, Jr., of the National Pathological Laboratories were guests of the association and answered questions put to them by the claim men on problems allied to claim work. The main topic discussed was heart disease which offers one of the most difficult problems confronting claim men today in adjusting claims.

Accident "Apps" Contest Factor

Accident and noncancellable business played an especially large part in a recent inter-agency contest conducted by the Pacific Mutual Life on the west coast and was a dominant factor in winning team and personal honors for the immediate home office territory of the company in southern California.

The two Los Angeles units—the home office agency, which is the life department of the company, and the Paschall-Gist Agency, which represents the accident and noncancellable department—competed with San Francisco as one unit, the quotas being arranged and based on percentages of previous accomplishments. The Los Angeles and San Francisco offices have been rivals for many years. In the six weeks cov-

"WE ARE PROUD TO HAVE REPRESENTED STANDARD SINCE 1886"

Says Frank W. Fiske, President
ARMSTRONG-ROTH-CADY CO., INCORPORATED, BUFFALO, NEW YORK



President Fiske reviews Standard's 50th Anniversary Sales Kit with other officials of the Armstrong-Roth-Cady Company. Left to right: Albert Dodge, Vice President, Frank W. Fiske, President, and Edward C. Roth, Vice President and Treasurer. They agree that it is complete, convenient and that it should help any agent increase sales. Mr. Dodge is a member of the Executive Committee of the N. A. I. A. Mr. Roth is a past president of the National Association. Other officials of the organization include A. Burt Armstrong, Leonard R. Bissell and Manson Fiske.



Prompt and fair settlement for all just claims is provided, by the fast-moving Claims Department of this progressive agency.



The busy Liability and Bonding Dep't. of Armstrong-Roth-Cady, Inc., a model of efficiency, has a background of long experience.

"A Company like the STANDARD, that for 50 years has supported and operated exclusively in accord with the principles of the American Agency System, merits the support and commendation of all qualified agents and we are proud of the fact that we have represented Standard since 1886. ¶ During these forty-eight years there has never been anything but the pleasantest of relations, and neither has there been a time when STANDARD has not given the fullest cooperation in solving all agency problems. Its liberality, fairness and promptness in settling claims have been a tremendous asset to our organization."

The above expression from Armstrong-Roth-Cady Company, Inc., of Buffalo, New York, one of America's leading insurance agencies and one of the oldest and largest in the east, needs no further explanation. It speaks for itself. STANDARD is mighty proud too, that it has been represented in Buffalo by the Armstrong-Roth-Cady Co., for all but 2 of STANDARD'S 50 years.



The Fire, Plate Glass and Special Lines Department of this thriving Buffalo Agency is manned and equipped to provide pleasing, prompt service to Buffalo brokers and agents.

FOR 50 YEARS
a GOOD COMPANY for
GOOD AGENTS

STANDARD ACCIDENT INSURANCE COMPANY, Detroit

ered by the contest, Los Angeles accounted for total of \$95,000 in written life, accident and noncancellable business, of which \$17,000 was accident.

The Pacific Mutual's October and November accident business was the largest in its history.

Mike O'Sullivan Resigns

Mike O'Sullivan, well known among assessment life and health and accident men in California and candidate for insurance commissioner, has resigned as vice-president and director of the Sunset Mutual Life of Los Angeles. He said the resignation would become effective on appointment of a successor and at that time he will announce his future plans. He joined the Sunset Mutual Life, one of the Duker companies, four years ago. His resignation came as a complete surprise to his friends as he has been very active in business and political circles in his company's behalf.

L'Estrange in New Post

G. A. L'Estrange, for the past ten years manager of the claim department of the Abraham Lincoln Life, and with that company for 13 years in both agency and claim work, has become associated with the Washington National at its home office in Chicago.

He is widely known among accident

and health men and was one of the speakers at the last annual meeting of the Health & Accident Underwriters Conference.

Deal Not Yet Consummated

The appraisal of real estate and mortgages of the Abraham Lincoln Life of Springfield, Ill., has not yet been completed by the Illinois Bankers Life, which has entered a tentative contract to reinsure the business of the Springfield company, subject to the appraisal. A complete examination is being made of all property and the job is requiring more time than was originally anticipated. Another week at least will be required.

Six of those who were indicted in connection with the plot to loot the Abraham Lincoln Life, upon arraignment, pleaded not guilty.

Lloyds in Prairie Provinces

WINNIPEG, Dec. 19.—Although no official announcement has been made, it is understood that Lloyds non-marine underwriters have made application for license in the prairie provinces.

Whether opposition will be forthcoming from the tariff and agency associations is not known, but is considered doubtful in view of the recent decision in Ontario.

CASUALTY ASSOCIATION NEWS

Cleveland Glass Rates Lower

Casualty Underwriters Association There Brings About Readjustment of Jobbers' Prices

CLEVELAND, Dec. 19.—The Cleveland Casualty Underwriters Association has been instrumental in getting lower glass rates in this city. Companies have complained for some time that glass jobbers in Cleveland have been overcharging for their services in comparison with other cities having similar labor rates. In view of the high standardized rates here, it was suggested that companies might make their own individual contracts where lowest prices could be obtained.

A committee of the Casualty Underwriters Association was appointed early in the fall to meet with leading glass jobbers and discuss the local situation. Several meetings were arranged and finally the jobbers agreed on a reduction which amounts to between 5 and 10 percent. The committee in charge of the problem consisted of H. C. Goble,

chairman; James Barton and G. I. Goodman.

Reports from the National Bureau of Casualty & Surety Underwriters indicate that it considers the new rates on glass in Cleveland still too high. However, no plan of further action has been advanced.

Baltimore Adjusters Organize

BALTIMORE, Dec. 19.—With the detection of fraudulent and unethical actions for damages one of its avowed objectives, casualty adjusters of Baltimore have formed the Baltimore Claim Men's Association. Arthur G. Kahl, Maryland Casualty Company, was elected president; J. H. Fringer, Jr., vice-president; R. D. Jones, secretary; J. T. Hill, treasurer.

At the initial meeting W. L. Clark, president Baltimore Bar Association, commended the purposes of the association and promised the cooperation of the city's bar and medical associations in efforts to eliminate unethical practices among lawyers and doctors.

Ontario Adjusters Elect

TORONTO, Dec. 19.—Malcolm Lennox, president Canadian Automobile Service Association, was elected president of the Ontario Insurance Adjusters Association at the annual meeting of that body. L. R. Freeman, Zurich, was elected vice-president, and J. G. MacKenzie, Pilot, secretary-treasurer. The executive committee consists of W. J. Howe, Adamsons, Ltd.; A. C. Hughes, Travelers, and W. Jennings, Canadian General.

Griffin Heads New York Club

The New York Casualty & Surety Club elected John A. Griffin, Fidelity & Deposit as president; Wallace Falvey, Massachusetts Bonding, first vice-president; M. L. Jenks, American Surety, second vice-president; W. A. Bullock, Fidelity & Deposit, secretary-treasurer. The new members of the executive committee are John Grady, General Accident; E. B. Southworth, Jr., Aetna Casualty; H. P. Hall, Century Indemnity; H. A. Kearney, Hartford Accident, and Floyd N. Dull, Continental Casualty, the retiring president.

PERSONALS

The Washington National of Chicago is honoring General Agent F. C. Grovey of Oklahoma City during January by staging an anniversary drive. This is in recognition of his outstanding record made this year. Mr. Grovey is a leader in the accident and health business throughout Oklahoma, Arkansas and Texas.

J. S. Ross, 56, Oklahoma City insurance attorney, died after a serious illness. He was one of the most able trial attorneys in the southwest. For more than 25 years he had been attorney for the Aetna Life, Maryland Casualty, Prudential and the Western Insurance companies.

Joseph A. Mavon, former vice-president of the Glens Falls and brother of G. A. Mavon, well known Chicago agent, now is a grandfather. A daughter has arrived at the home of his son Elton, special agent of the Standard Accident in Syracuse. Joseph Mavon no longer is actively engaged in insurance, being a Chicago business man.

Gordon Fox of Chicago, head of the surety department of Marsh & McLennan, is in the Evanston hospital, where he is undergoing treatment and is under observation.

LOYALTY



Service records of twenty, thirty and more years with this one institution are not uncommon. Several records even antedate the organization of the Company in its present corporate form in 1897.

Such loyalty is evidence of the characteristic Continental qualities which attract and hold the friendship of progressive field men, and may be taken as an index to the DURABILITY of this institution.

**CONTINENTAL
CASUALTY COMPANY || ASSURANCE
COMPANY || COMPANY**
CHICAGO

Insurance and Surety Bonds for Practically Every Purpose



1890



1934



To the thousands of insurance men and women, whose loyalty and enthusiastic activity make possible the success of the companies they represent, America's leading surety company sends its wishes for a joyous Christmas and a happy, prosperous New Year.

FIDELITY AND DEPOSIT COMPANY
OF MARYLAND

UNDERWRITERS

OF
BURGLARY — AUTOMOBILE — PLATE GLASS — PUBLIC LIABILITY

Consult Our Special Risk Public Liability Department

Special coverages developed to insure
the rare and unusual events.

Agency Representation Available

in

ILLINOIS INDIANA MICHIGAN
MINNESOTA OHIO NEBRASKA

Great Lakes Casualty Company
Detroit, Michigan



HOME OF "SERVICE THAT EXCELS"

General Accident



FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING - 4TH & WALNUT STS.
PHILADELPHIA

Casualty Field Changes

Harold P. Janisch Joining J. S. Kemper Organization

Harold P. Janisch is joining the J. S. Kemper organization in Chicago as vice-president of the Lumbermen's Mutual Casualty and associated companies. For the past six years he has been vice-president and a director of the Shawmut National Bank of Boston. Prior to that time he was general manager of the American Mutual Alliance in Chicago. He organized the Alliance in 1922 and due to the importance of his work during its early days he is widely known in insurance circles.

Mr. Janisch is a graduate of the University of Wisconsin and first practiced law in Madison. In 1920 following his return from service during the war he became a member of the law firm of Ekern, Meyers & Janisch in Chicago, in which capacity he continued until he organized the American Mutual Alliance.

Heads Engineering Work

James A. Burbank, a graduate of Massachusetts Institute of Technology and Harvard, with 18 years' experience in practical engineering work and in business, has been appointed superintendent of the engineering and inspection division of the Travelers at its head office. Since 1932 he has been associated with R. H. Macy & Co., of New York. He served as assistant to the management councilor in charge of maintenance and engineering and a year and a half later became manager of Mabrand Products, a Macy subsidiary manufacturing various products sold in the Macy store. A native of East Milton, Mass., he attended Dartmouth, and then transferred to Massachusetts Institute of Technology, where two years later he received degrees from both that school and Harvard.

Branch Goes to Oklahoma City

The Oklahoma branch office of the Maryland Casualty is being moved from Tulsa to Oklahoma City. R. Van Wagenen, manager at Tulsa, is being transferred to Oklahoma City and will be manager with offices in the Ramsey Tower.

A. W. Douthat, former manager of the Oklahoma City service office, has become assistant resident manager there. L. W. Hall, formerly manager liability department at Tulsa, will remain in that city with quarters in the Philcade building, as special representative operating through the Oklahoma City office.

Snider Now Special Agent

H. V. Snider has been appointed special agent by Cramsie, Laadt & Co. of Chicago. For a number of years he has been connected with the claim department of Meeker-Magner Company, general agents in that city for the General Accident.

Michels Los Angeles Manager

T. W. Michels has been appointed Los Angeles resident manager of the Maryland Casualty to succeed M. E. Graham, resigned. He was in the company's northern California office as casualty underwriter for several years and for the past seven years has been special agent in the Sacramento valley.

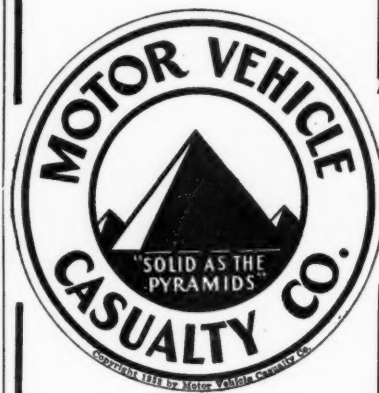
Thomas to Des Moines

R. B. Thomas, formerly assistant manager of the United States Fidelity & Guaranty in Minneapolis, has been transferred to the casualty department of the Des Moines branch.

Under same management for
19 years.

Sound Automobile Insurance

Inquiries from responsible
agents and brokers welcome.



HOME OFFICE

223 W. Jackson Blvd., Chicago,
Illinois

A STOCK AUTOMOBILE
COMPANY

Established 1914
as Motor Vehicle Underwriters
Incorporated 1930

Draft of Illinois Insurance Code Is Being Distributed

(CONTINUED FROM PAGE 12)

The newspaper and broadcasting station must obtain a certificate to the effect that the insurance company is authorized in Illinois.

This law was practically the same as that adopted in Pennsylvania last year.

No company, whether domestic or foreign, may operate in Illinois if it transacts an unlicensed business in any other state.

Analyze the Provisions

Lawyers who have analyzed the provision for revocation of license of any company which transacts an unlicensed business in any other state say that if enacted, it is likely to be challenged on the basis of the decision of the Illinois supreme court in *Templeton vs. Illinois Commercial Men's Accident and the United States Supreme Court in Benn vs. Minnesota Traveling Men's Association*. The courts in both those decisions held that a company is not transacting an insurance business in a state when the applications are handled solely at the head office of the company which may be in some other state.

The investment section does not include any vital changes from the investment law adopted last year. In the existing statute there is a provision that municipal bonds are eligible for investment when among other things, the taxes do not exceed 5 percent of the actual value of all taxable property.

There was an exception that in cities of 250,000 population or over the limit shall be 10 percent. In the new code the 10 percent limit applies to counties and other political subdivisions of 250,000 population and over as well as of cities of that size.

Holding Companies

In the investment laws for fire and casualty companies there is a provision that not more than 50 percent of the surplus funds may be invested in stocks of any insurance corporation nor in more than 5 percent, in the aggregate, of the outstanding stock of such corporation. Furthermore, no fire or casualty company may invest any of its funds in stocks or bonds of any corporation, a substantial portion of whose funds is invested in the stock of insurance companies. Then there is a new provision that if an insurance company is operating in any foreign country, it may invest its funds in securities of a foreign country, state or province to an amount not greater than the total unearned premium reserve of policies issued in that jurisdiction or in such amount as may be required by law to transact business in those places.

There is a provision whereunder credit may not be taken by the company for premium reserve for reinsurance in companies not authorized in the state.

In connection with examinations of companies, there is the provision that domestic companies must be examined at least once in three years. Heretofore there has been no specific time established.

Under the new code, fire and casualty companies as well as life companies will be permitted to amortize their bonds.

The annual statement requirements have been simplified and made flexible. Heretofore so far as fire insurance companies were concerned, the requirements were set out in great detail and were rigid.

Apparently there have been few changes in the provisions as to agents, brokers and solicitors. Under the code, the article would not apply to executives or traveling employees of any company who do not have authority to countersign or issue policies as agents of the company and who do not solicit insurance when unaccompanied by a duly licensed agent of the company.

There is a provision in the code which would put into effect the opin-

ion of the attorney general whereunder an agent's or broker's license shall not be issued to any bank or trust company or to any of its officers or employees in a city or town with less than 5,000 population.

There is a provision for countersignature of policies by a resident agent and that agent's license number must be indicated in the policy.

Under the code, public adjusters must be licensed and there are several sections outlining the procedure.

Although many provisions of the code will create much discussion probably none will cause more than the proposed article governing advisory rating organizations and insurance counselors.

Define Rating Counselor

An advisory rating counselor is defined as "any person, firm or corporation proposing to classify, rate or group insurance companies or otherwise indicate a preference for or among insurance companies, according to their period of operation, amount of insurance in force, premium receipts, losses incurred, underwriting costs, investments, earnings or securities held or other data in reference to operation, or to publish or cause to be published, distribute or cause to be distributed, sell or offer for sale, in this state any classification,

rating or grouping of insurance companies, according to their period of operation, amount of insurance in force, etc."

An insurance counselor is defined as: "Any person, firm, etc., which proposes to engage in the business of giving advice to policyholders or interested prospective purchasers of insurance, for a fee, commission or other compensation, concerning insurance policies, by comparing, analyzing or interpreting such policies and recommending or advising to any policyholder or interested prospective purchaser any form, type or kind of insurance for him to purchase, or to change, forfeit or surrender any policy he may have upon whatever plan or time."

Advisory rating counselors and insurance counselors must be licensed. Salesmen for any such operators must also be licensed.

In the application for license, such operators must tell the business in which they have been engaged for the past seven years, their experience in analyzing insurance companies, their actuarial experience, and any additional information that the director may desire. The insurance director may call for a written examination, if he so desires.

The director may require any advis-

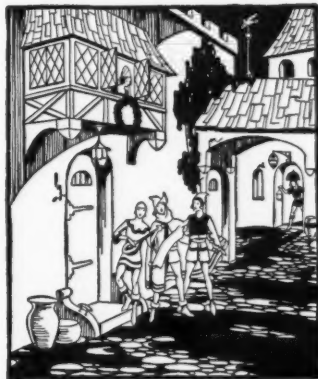
ory rating counselor to submit the formula on which his grouping or rating of companies is based.

These sections do not apply to any licensed agent, broker, solicitor or any employee of an insurance company or to any duly licensed attorney or counsel at law actively engaged in the practice of law, if acting in the usual course of such practice.

There are several sections devoted to group life insurance providing that such policies may be issued on units of the National Guard, state troopers, state police, labor unions and employees of a concern. The code would make it unlawful to make a contract covering any other sort of a group. Incidentally this would probably rule out the Blue Goose life insurance in Illinois.

There is a provision as to salaries and pensions which appears to be garbled in the preliminary draft.

It is much the same as the present provision, applicable to life companies. Apparently it is intended to extend this to fire and casualty companies, but this is not made entirely clear. The provision is that no domestic companies shall pay, "salary, compensation or emolument, directly or indirectly, to any officer, or trustee or director thereof, or any salary, compensation or emolument amounting in any one year to



To every insurance man
and woman in the country
we extend our heartiest
Christmas Greetings and
our best wishes for a
Happy New Year.

AMERICAN SURETY COMPANY
of New York

NEW YORK CASUALTY COMPANY

more than \$5,000 to any person, firm or corporation, directly or indirectly, unless payment is first authorized by vote of the board of directors of such life insurance company." There might be a question of whether this would not require a vote of the board of directors for payment of commission to an agent in any one year of more than \$5,000. In the same section there is a provision that contract of employment shall not exceed three years. There is a prohibition against granting any pension to any officer, director or trustee or any member of his family after his death. There is a provision intended to eliminate so called agency companies. It provides that no company shall make a contract, with any person, firm or corporation for the exclusive right or privilege to so-

AVAILABLE

Tried and experienced man, now in life time position for service as field man for surety company.

ADDRESS B-18, NATIONAL UNDERWRITER

Accident & Health Man Available

Experienced Accident & Health Man Desires New Connection. Expert in all phases of underwriting and claim adjustments.

ADDRESS B-19, NATIONAL UNDERWRITER

SPECIAL AGENT WANTED

A mutual automobile company desires special agent for Illinois territory outside of Cook County. Must have good following in the state. A real opportunity for the right man. All replies will be strictly confidential.

ADDRESS B-20, NATIONAL UNDERWRITER

licit for such company and collect premiums.

There is a provision that all policy forms and endorsements must be approved by the department. This does not apply to surety or fidelity, however.

Deposits with the state in the future may be made only in federal or Illinois securities. At present deposits may be made in any securities in which a company may lawfully invest.

The new code sets up a statutory provision whereby deposits may be withdrawn. At present the withdrawal may only be accomplished by court procedure.

The code revises the provisions concerning contents of advertisements as to financial conditions and inserts more teeth in the law.

There is a brand new provision as to defamation of rival companies.

Guaranty Capital

There is one section which probably will not be objected to by any insurance people. It prohibits the making of political contributions. Several sections apply to rebates extending the prohibition against them to fire and casualty as well as to life companies and inserting some new sections.

There is a provision that no misrepresentation or warranty shall void the policy unless the fact so misrepresented is falsely warranted or where the condition broken shall have been stated in a written application signed by the insured and shall exist at the time of the loss and contribute to the loss.

There is a provision for the establishment of guaranty capital by mutual companies. Apparently this is inserted to coincide with the Reconstruction Finance Corporation provision under which mutual companies may get help of the R. F. C. A mutual company may

maintain guaranty capital of not less than \$25,000.

There is a new provision as to transfer of deposits. In the article relating to liquidation, there is a provision for rehabilitation of companies. There is a provision whereunder insurance director may order the liquidator or conservator of a company to remove the property and assets to Sangamon county or Cook county.

The code provides that the insurance director upon motion of the attorney-general is the only one who can bring action for appointment of a receiver.

There is a provision whereunder in liquidation of a company, wages owing to clerical employees for services rendered within three months prior to the receivership shall be paid prior to the payment of every other debt or claim. Heretofore the practice has been to recognize this priority by paying off the employees before the receivership action is started.

Raise Rate Scale in New York City

(CONTINUED FROM PAGE 31)

Bronx and Brooklyn during the latest years for which complete experience was available shows that for every dollar of loss incurred for this class of business in 1928 the corresponding loss in 1932 amounted to \$2.09. The corresponding figure for 1931 as compared with 1932 is \$1.20. In other words, losses incurred as the result of damage claims for apartments, tenements, boarding or rooming houses in New York City increased 109 percent in the period covered by policy year 1932 as compared with policy year 1928, and 20 percent as compared with policy year 1931.

Use Large Volume of Data

"Public liability insurance on this class of business is written on the basis of a charge for each 100 square feet of the floor area of the risk and an additional charge for each linear foot of street frontage. The new rates are based on the classified experience for the five latest policy years and represent the largest volume of statistical data that has thus far been compiled for a revision of rates affecting the apartment and tenement house business.

"Some idea of the volume of experience used may be gained from the fact that the total exposures represented by the experience amounted to 4,975,218,508 square feet of area and 25,194,801 feet of street frontage, and the total incurred losses amounted to approximately \$15,250,000."

Chicago Branch Holds Stag

The annual stag party for brokers was held Wednesday by the Continental Casualty's downtown branch office in Chicago, a large delegation of home office officials attending, headed by President H. A. Behrens. George Middleton, broker, was toastmaster. Among officers present were: Executive vice-president G. F. Claypool, Vice-presidents M. P. Cornelius, Roy Tuchbreiter, Norman Hoag, who directs the branch office, H. A. Glasgow; Treasurer R. D. Weillbrenner. Officials and department heads of the branch also were present, attendance being 140.

New Portland Office

Brock & Allen will establish a branch office in Portland, Ore., Jan. 1, as general agents in Oregon for the Norwich Union Indemnity. R. K. Buker, associated with Phil Grossmayer Agency for the past ten years, will have charge of the office.

Hotel Liability Discussed

T. C. McLaughlin, Dayton, O., manager of the Travelers, spoke to the Ohio Association of Hotel Operators on public liability insurance and rates. He said

that public liability rate making is an exact science. Claimants are divided into three classes: trespassers, licensees and invited persons. Inasmuch as the hotel operator's business consists of extending an invitation to guests, he is very close to being an insurer of the safety of his guests. Under certain conditions the law makes the hotel responsible for personal injuries to the public caused by the acts of hotel guests. Hotel public liability rates are high because of the high loss ratio. This is due to the hotel operator's high degree of liability to the public under the law and to high claim frequency. Hotels are also particularly good targets for fraudulent claims and the public in general is becoming more claim conscious. Mr. McLaughlin made a number of recommendations for eliminating accidents through safety work.

A. L. Williams, Tennessee state agent Firemen's of Newark, and Mrs. Williams are the parents of a baby boy.



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ATTENTION

buyers of insurance trade paper advertising

SPEAKING before the Insurance Advertising Conference in New York City last week P. L. Thomson, president of the Audit Bureau of Circulations, made the following comments which are of interest to all advertisers in insurance papers:

"Information which a business paper publisher provides on an A.B.C. report is to be found in answers to the following questions:

1. How much circulation have you?
3. Where is it?
3. How was it secured?
4. At what price was it sold?

"The replies to these questions do not tell me as a buyer everything I should like to know about a publisher; nevertheless I have no time to talk to a publisher who cannot, or will not, answer these

questions with suitable verification and chooses rather to discuss intangibilities like editorial influence, trade prestige, etc."

THE NATIONAL UNDERWRITER sells its advertising on an A.B.C. basis which shows just where our circulation is, the extent of it and enables you to decide for yourself the value of what we have to offer.

President Thomson also pointed out that of the 35 publications in the insurance field only 8 are members of the A.B.C. THE NATIONAL UNDERWRITER takes pride in that 4 of these 8 are members of its official family, they being THE NATIONAL UNDERWRITER, CASUALTY INSUROR, ROUGH NOTES and INSURANCE SALESMAN. In 1919 when THE NATIONAL UNDERWRITER joined the A.B.C. it was the *first* insurance newspaper to do so and today it is the *only* weekly insurance newspaper that is a member.

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C. M. CARTWRIGHT
Managing Editor

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Financial Statement United States Branch September 30, 1934

ASSETS		LIABILITIES	
Government Bonds	\$ 1,791,706.97	Reserve for losses (other than Liability).\$	3,094,346.75
Municipal Bonds	202,762.50	Reserve for Losses (Liability and Com-	
Railroad Bonds	3,760,218.53	pensation)	3,120,766.65
Public Utility Bonds.....	3,537,228.91	Reserve for Unearned Premiums.....	4,204,642.93
Miscellaneous Bonds	67,481.20	Reserve for Commissions.....	749,910.12
Railroad Stocks	362,000.00	Reserve for Taxes and Other Expenses	344,297.36
Public Utility Stocks.....	999,566.00	*Contingency Reserve	88,745.11
Miscellaneous Stocks	469,300.00	Special Reserve	1,172,764.52
*New York Insurance Department			
Valuations			
Real Estate Owned.....	44,823.13		
Mortgages	1,166,480.00		
			\$12,775,473.44
	\$12,401,567.24		
Cash in Banks and in Office.....	1,244,130.05	Deposit Capital	\$1,000,000.00
Interest Accrued	163,353.80	Surplus over Liabilities	
Premiums in Course of Collection (not		and Deposit Capital..\$1,500,000.00	
over 90 days).....	1,441,774.29	Surplus to Policyholders.....	2,500,000.00
All Other Assets.....	24,648.06		
	\$15,275,473.44		\$15,275,473.44

*Contingency Reserve—representing difference between value carried in assets and actual September 30, 1934, market quotations on all bonds and stocks owned.

CASUALTY, FIDELITY AND SURETY REINSURANCE

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United States Manager

CLARENCE T. GRAY
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